COMMERCE AMERICA

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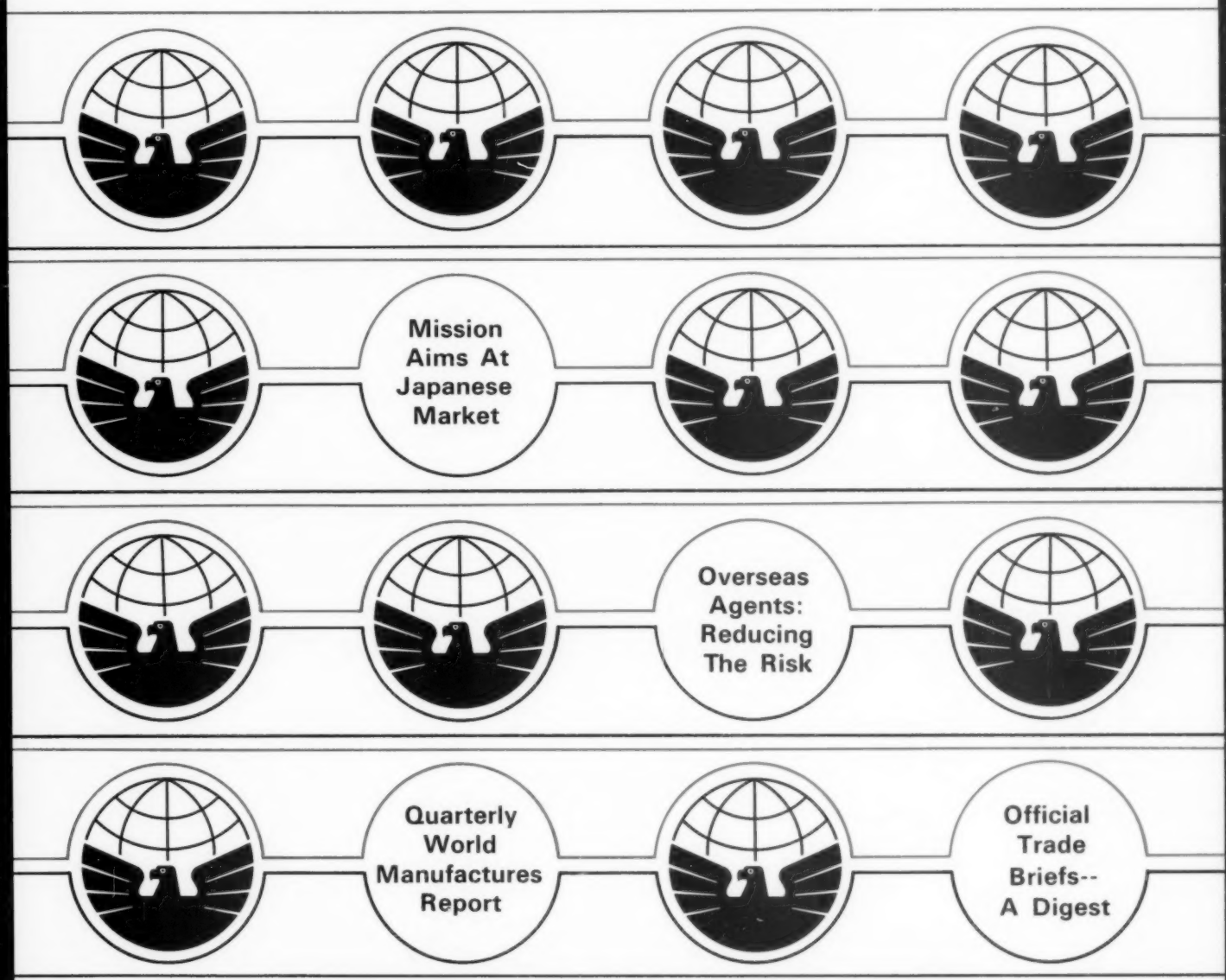
Mission Aims At Japanese Market
Overseas Agents: Reducing The Risk
Quarterly World Manufactures Report
Official Trade Briefs-- A Digest

New GATT Study Emphasizes Dangers Of Continued Inflation

Trends in international trade during the past 18 months, and prospects for the months ahead, are outlined each year in the GATT Secretariat report International Trade. *Following are excerpts from the just-released introductory chapter of the latest report,* International Trade 1977/78. *The full report will be available later in the year, in English, French and Spanish language editions, from the GATT Secretariat or through bookstores, for 27 Swiss francs or US$18.*

The lesson to be drawn from the experience of this decade should be, it seems, that no international monetary system, whether based on fixed or floating exchange rates or on managed flexibility, can function satisfactorily when the main trading countries are undergoing rapid inflation at such varying rates.

The inescapable conclusion is that the industrial countries can only move towards increased growth and employment, and towards sustainable payments positions and more stable exchange rates, by reducing their inflation rates to the levels experienced until the mid-1960's. It is particularly important that the United States take the lead in this direction; once the dollar's purchasing power begins to stabilize, stabilization of the whole system should be that much easier.

It is now generally recognized that there are no benefits for society as a whole, only losses, from inflation in the long run. As the Heads of State emphasized in the Declaration issued at the end of the economic summit meeting in London in May 1977: "Inflation does not reduce unemployment. On the contrary, it is one of its major causes." Indeed, postponing the price stabilization effort only shifts into the future a cost which continues to grow and one day must become unsupportable.

Although, in the past, efforts to reduce inflation have often involved substantial, though transitional, increases in unemployment, there are reasons for believing that in the present circumstances rapid price stabilization could be achieved with less hardship than is generally thought. The weakness of business investment after three years of recovery is striking—and explainable only in terms of the uncertainties and distortions created by inflation. A credible commitment by the major governments to restore price stability at a steady pre-announced pace over the next few years could hardly fail to reduce economic uncertainty, which would strengthen business investment and so facilitate the transition. The risks of making price stability unquestionably *the* priority policy goal are small compared to those created by the continuing inflation, the spread of protectionist policies and the growing deterioration of international economic relations which they entail.

The value of world trade is estimated to have reached $1,120 billion in 1977. In dollar terms, the increase was about 13 per cent over 1976, roughly the same as the 1976 increase over 1975. In terms of volume, however, the growth of world trade slowed down from 11 per cent in 1976 to 4 per cent in 1977.

The difference between the growth in dollar value and in volume represents the change in dollar unit values of world trade, which increased by almost 9 per cent in 1977 as against 2 per cent in 1976. This statistical change in dollar unit values is a composite of two more basic changes, namely, in the domestic price of goods entering world trade, and in the exchange rate of the United States dollar. The rate of inflation in the domestic prices of export products appears to have continued at about the same pace in both years. However, this inflationary effect was largely offset in 1976 by an appreciation of the United States dollar, whereas in 1977 the depreciation of the dollar accentuated the statistical effect of domestic inflation on world trade unit values recorded in dollars.

Looking at the main product groups, the dollar value of world exports of *manufactures* increased in 1977 by 15 per cent, slightly more rapidly than in 1976. In volume terms, however, there was a sharp deceleration, from 12 per cent in 1976 to about 5 per cent in 1977. Expressed in dollars, the unit value of world exports of manufactures had shown no change in 1976 as compared with the preceding year, but increased by 9 per cent in 1977. In the first half of 1978 there was a further marked rise of dollar unit values of world exports of manufactures.

World exports of *primary products* increased by about 11 per cent in 1977 in value but by only 2 per cent in volume. The increase in value terms was more pronounced for agricultural products than for minerals, because of a stronger rise in prices for a number of agricultural products in the first half of the year; in volume terms both major groups increased by the same proportion. Unit values of world exports of primary products accelerated their rise from about 3 per cent in 1976 to nearly 10 per cent in 1977. This increase for the whole of 1977 was due entirely to the rise during the first half of the year, reflecting essentially the upsurge in prices of tropical beverages, especially coffee. In the second half of 1977, however, world export prices of primary products declined as a result both of improved crop conditions for products which had been in short supply, and of weak world demand for industrial raw materials. During the first half of 1978 world export prices of primary products, in dollar terms, remained unchanged.

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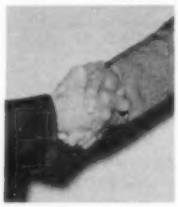

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U.S. DEPARTMENT OF COMMERCE

JUANITA M. KREPS
Secretary

SIDNEY HARMAN
Under Secretary

FRANK A. WEIL
Assistant Secretary
for Industry and Trade

ROBERT B. AMDUR
Director, Office of
Public Affairs, Industry
& Trade Administration

DOUGLAS F. CARROLL
Editor

Staff Writers:
Margaret L. Hanson,
William O. Scouton

Judith A. Kearns-Preston
Graphics Coordinator

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U.S. Aims Wedge At Market There

As statisticians mulled another huge monthly deficit in U.S. trade with Japan, the Commerce Department's Industry and Trade Administration this week began wrapping up an unprecedented trade-promotion package designed to bring long-term improvement to the American side of the U.S.-Japan trade ledger.

Designated the U.S. Export Development Missions to Japan, the project involves more than 100 U.S. business and government executives who will travel to Japan Oct. 2-15 to promote sales of U.S. products in Japan, encourage Japanese direct investment in the United States, and explain U.S. trade policies and programs to Japanese industry and government.

Secretary of Commerce Juanita M. Kreps heads the delegation of U.S. Government officials participating in the Missions. Mark Shepherd Jr., chairman and chief executive officer of Texas Instruments, Dallas, and chairman of the Advisory Council on Japan-U.S. Economic Relations of the Chamber of Commerce of the United States, is the Missions' industry leader.

The Mission, largest in the history of Commerce export promotion programs, includes five groups promoting specific U.S. products—original-equipment automotive components; advanced scientific equipment; modern management equipment; food processing and packaging equipment, and industrial equipment. There also are an invest-in-U.S. group and a policy group.

After an all-day departure briefing in Seattle, Wash., next Saturday, mission members will leave for Japan for the two-week tour that will take them to Tokyo, Osaka, Fukuoka, Sapporo and Nagoya.

The Missions are an outgrowth of U.S.-Japan trade talks initiated by Secretary Kreps last September and carried forward by Assistant Secretary of Commerce Frank A. Weil. The initial talks resulted in creation of the Joint U.S.-Japan Trade Facilitation Committee (TFC) to help U.S. firms obtain greater access to the Japanese market. Under the TFC's aegis, 92 Japanese business and government leaders visited the United States last March as members of a mission seeking imports from this country. Assistant Secretary Weil's consultations with that group led to this reciprocal visit.

Commenting on the Missions, Secretary Kreps said, "This is a significant part of our mutual efforts to improve the trading relationship which the United States has enjoyed with Japan.

"Our combined bilateral commercial exchanges exceeded $29 billion in 1977. Despite this growth in

two-way trade, however, the U.S. has run a trade deficit every year since 1965. That deficit should begin to shrink and markets for U.S. goods should grow as a result of the steps we are taking together. Japan has agreed to take all appropriate measures to increase imports."

Mrs. Kreps said the Missions will focus on long-term market development and contacts leading to future business "rather than attempt to obtain impressive figures by sales of big-ticket items that would have a less-enduring value."

Noting that the Japanese mission to the United States last March is expected to produce about $2 billion in U.S. exports to Japan, Assistant Secretary Weil said, "Now we are going to reverse the procedure and, with the active encouragement and cooperation of the Japanese, lead our manufacturers to the front lines of the Japanese marketplace, which is beginning to open to them slowly, but as never before.

"The encouragement the Japanese are giving us in this project is another manifestation of their positive attitude toward reducing our huge trade deficit with them by improving our access to their market."

Weil said the U.S.-Japan trade talks "have brought about a new climate in our commercial affairs, and I am confident the Japanese are committed to opening their doors to increased imports from us. While the U.S. Export Development Missions to Japan will contribute to a short-term improvement in our trade deficit with Japan, they also can be the basis for business relationships that will generate expanded U.S. exports to Japan over the long term as well."

Members of the Missions' advance staff reported from Tokyo that they were receiving "excellent cooperation" from Japanese organizations making arrangements for the U.S. delegation. For example, the Japan External Trade Organization (JETRO) has set up a special department with a staff of 37 to receive the Missions. A welcoming committee is chaired by Yoshizo Ikeda, who led the Japanese import promotion mission to the United States. Committee members include top officials of JETRO, Keidanren (Federation of Economic Organizations), the Japan Chamber of Commerce and Industry, the Japan Foreign Trade Council, the Japan Automobile Manufacturers Association, the Japan Ministry of International Trade and Industry (MITI), the Japan-U.S. Economic Council, and leading Japanese trading companies.

MITI Minister Toshio Komoto has urged cooperative efforts by his cabinet colleagues to help make the Missions' visit a success. He said he would see to it that negotiations would achieve a major breakthrough for reducing Japan's balance of payments surplus with the United States.

The Missions' industry head, Mark Shepherd, characterized the project as "an important step in a long-term process" of reducing the U.S. deficit. It demonstrates a commitment by both nations to increasing U.S. exports into the Japanese market," he said. "This is particularly important at a time when our Congress is looking for visible progress toward reducing our trade imbalance with Japan."

The Missions involve more than 60 companies from all parts of the United States. They represent more than $60 billion in annual sales and employ more than 400,000 persons.

A stop in Tokyo is planned to coincide with opening of the new World Import Mart in an ultra-modern commercial and cultural complex being developed by the Japan Urban Development Co., Ltd.

In response to an offer from the Mart, the U.S. Trade Center in Japan will move there later this year from quarters it has occupied elsewhere in Tokyo since 1963. The Mart has offered the Commerce Department 8,500 square feet of space for the Trade Center at greatly reduced rent for five years. The relocation is expected to save the Department more than $1 million over the five-year period. "It is a most generous offer, and we are delighted to accept it in the spirit in which it was made," Assistant Secretary Weil said.

The Department's first exhibition of U.S. products in the Trade Center's new quarters is set tentatively for January 1979.

The U.S. Export Development Missions to Japan were organized to provide the best representative cross-section of American-made products both from experienced exporters and new-to-market companies, including small, medium-sized and large firms. Brief reviews of their market prospects, plus outlines of their activities in Japan follow.

Original-Equipment Automotive Components—These are parts designed to an automotive manufacturer's specifications for use in assembling cars, trucks and buses. Shock absorbers, ignition systems, wheels and headlights are examples.

This mission has 22 members. They will meet with senior management officials of the eight Japanese car and truck manufacturers to discuss contracts to supply their assembly lines in Japan, assembly lines that may be established in the United States in the future, and distributors of replacement components in the United States. They also will call on specialized manufacturers of trucks and truck bodies in Japan, local manufacturers of parts, agents, and distributors capable of handling large inventories of parts shipped from the United States.

Japan produced 8.5 million cars, trucks and buses last year and shipped 1.7 million to the United States. Toyota, Datsun, Honda and other Japanese manufacturers have expressed interest in incorporating more U.S.-made components in vehicles destined for export.

Modern Management Equipment—Sixteen manufacturing executives, most of them in the computer field, plus the publisher of one of the leading technical journals for the U.S. computer industry, make up this mission. They will meet with a variety of Japanese business and industry leaders, including officials of Nippon Steel Co., Bank of Tokyo, Japan National Railway, Mitsui and Co., JETRO and MITI.

Japanese imports of computers and related equipment alone are expected to reach $845 million in 1982, with U.S. manufacturers holding their position as Japan's leading supplier of advanced systems and specialized equipment.

Advanced Scientific Equipment—This 13-member mission represents American makers of health care, laboratory and analytical instruments for both medical and non-medical uses, as well as valves and components for industrial uses. Members of the group will visit hospitals, laboratories, government medical research institutions and university medical centers such as Tokyo's Keio University Hospital, which is widely known in medical circles for its cancer research programs. They also will call on laboratory and medical equipment manufacturers and suppliers, as well as on manufacturers of equipment for the

The group is visiting Japan to promote U.S. sales, encourage investment in the U.S., and explain American trade policies.

pulp and paper, chemical, petrochemical and steel industries.

The Japanese market for medical equipment alone is expected to top $550 million by 1980, with U.S. manufacturers supplying 60 percent or more of the imports. According to market research, labor-saving innovations from the United States are usually well received in Japan, short of doctors and nurses.

General Industrial Equipment—The 10 members of this mission will call on executives in the Japanese automobile, automotive parts, building materials, appliance, canning and steel industries, as well as on prospective licensees and agents.

The effort is an outgrowth of trade talks initiated last fall between the United States and Japan.

The total Japanese market for metalworking and finishing equipment is estimated at $4 billion for 1978. Last year, U.S. manufacturers supplied about 39 percent of Japanese imports of this equipment.

Food Processing and Packaging Equipment—Of the industries represented on the U.S. Export Development Missions to Japan, food processing and packaging is Japan's largest. The industry imported about $75 million worth of equipment last year, approximately one-third of it from the United States.

Japanese trade associations expect the demand for food processing and packaging equipment to increase at rates of more than 10 percent a year. The forecast reflects both a rapidly rising standard of living in Japan and employment of a growing number of Japanese housewives outside the home. The eight members of this mission will meet with Japanese food processors and canners.

Invest-In-U.S.—Ten representatives of private investment counseling firms, state and regional development agencies, and the U.S. Government will stage two seminars for potential Japanese investors in the United States, one in Tokyo and the other in Osaka. They will cover such topics as the U.S. national and regional economies; foreign investment trends in the United States; incentives for foreign investors; labor-management relations; the availability of raw materials and energy supplies, and access to local markets in the United States.

Along with Canada, West Germany and the United Kingdom, Japan traditionally has been a primary source of foreign direct investment in the United States. Total Japanese direct investment in this country at the beginning of 1978 is estimated at $1.7 billion, with concentrations in wholesale and retail trade and manufacturing.

In addition to the seminars, the invest-in-U.S. mission members will meet with officials of such organizations as MITI, JETRO, the Bank of Tokyo and the Tokyo Chamber of Commerce and Industry.

Trade Programs and Policies—This group consists of U.S. business leaders and representatives of U.S. Government agencies with a vital concern for U.S.-Japan commercial relations. One of their most important goals is to convey to responsible Japanese government and business leaders that there is an urgent need to take actions that will facilitate trade.

Final plans for the U.S. Export Development Missions to Japan took shape as the nation recorded another monthly deficit in the billion-dollar range in its trade with Japan. Statistics for July showed U.S. exports to Japan at $1.05 billion and U.S. imports from Japan at $2.22 billion, marking a deficit of $1.17 billion on the U.S. side. This was up from deficits of $1 billion for both May and June. For the first seven months of the year, the deficit was $7.47 billion, compared to a 1977 deficit of $8.1 billion. ■

Recent Economic Moves Will Benefit Mission

The U.S. Export Development Missions are visiting Japan at a time when that country's expanding economy and its new initiatives to encourage imports offer favorable opportunities in several product sectors. The U.S. Embassy in Tokyo reports that recent months have seen a resumption of rapid and broadly-based growth in the Japanese economy. Despite various developments and measures which should ultimately reduce the current account surplus, it has risen markedly. The value of the yen is up to new postwar heights, price trends remain calm, and the expansionary cast of economic policy has strengthened.

Insofar as the economy maintains its recent rapid growth, Japan's imports may be expected to pursue a generally upward trend. The recent upward movement of the yen relative to the dollar (almost 25 percent during the year ended June 30, 1978) also should work to stimulate imports; so should Japan's awareness of the protectionist spirit which the ballooning of Japan's current account surplus, and of its exports in particular, inevitably has stimulated among its trading partners. Japanese exports to the United States continue to put pressure on U.S. producers for the American market in a variety of fields, although a February 1978 "trigger price" arrangement governing imported steel was a step toward stability in this major U.S. market sector.

The Japanese Government followed up commitments undertaken at the Strauss-Ushiba meetings in January by subsequently strengthening its efforts to find ways of reducing the current account surplus. Measures taken in 1978 with this objective have included import tariff cuts in advance of the final offers scheduled to be made for the Multilateral Trade Negotiations held in Geneva; expanding some import quotas; the March dispatch to the United States of a major buying mission headed by President Ikeda of Mitsui; restructuring of the government-supported Japan External Trading Organization to do more to promote imports; easing and expanding the financing opportunities for imports into Japan; acceptance, in principle, of the untying of Japan's aid from Japanese-source procurement; and monitoring of domestic prices in an effort to encourage the pass-through of gains from yen appreciation to end-users.

The Multilateral Trade Negotiations themselves

are expected to stimulate imports through a reduction of Japan's import tariffs as well as through some liberalization of Japan's rules covering imports in relation to government procurement and product standards. American suppliers, however, will have to do a good marketing job. Japanese end-users will be especially selective in purchasing capital goods, at least until private plant and equipment investment advances from its present slow growth rate. Japanese Government investment, despite its prospective high growth rate, is expected to offer relatively slight opportunities to American exporters.

Coal, grains, logs and lumber can be expected to remain leading U.S. exports to Japan, although Japanese inventories of raw materials remain high enough that total U.S. exports to Japan in this sector are not likely to show particular strength. Other promising product areas include computers and peripheral equipment, miscellaneous electronic components, process control instruments, food processing and packaging equipment, analytical chemistry/applied spectroscopy instruments, bio-medical equipment, electronics industry production and test equipment, lasers and laser systems, automotive parts and equipment, avionics and ground support equipment, printing and graphic arts equipment, and building systems and materials.

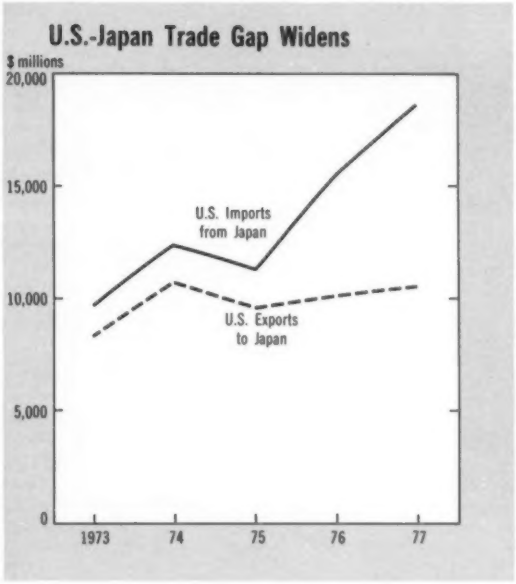
Japan's recent rapid increase in personal spending is a favorable sign for imports of consumer goods from the United States during the remainder of 1978. Products expected to be in stronger than average demand include those in the hobby and do-it-yourself/home improvement fields, housewares, high quality stereo components, personal health and grooming products, fashion wear and accessories, cosmetics, and sporting equipment.

Japan's multi-layered distribution system for consumer goods differs in several important respects from marketing practices common in the United States and other countries. Penetration of this high-opportunity segment of the Japanese market deserves special attention from U.S. exporters. Companies not familiar with Japan may wish to take advantage of the various export business information and introduction services available from the U.S. Department of Commerce and from the U.S. Embassy and Trade Center in Tokyo.

Japanese buyer groups have visited or plan to visit trade shows and dealers in the United States in the following industry sectors: housewares and home furnishings in July; hardware in August; machine tools, wood working machines, medical equipment and hospital supplies and communications equipment in September; public works, office machines and supplies, automation instrumentation, packaging machines, mining equipment, and computer peripheral equipment in October; and food and dairy products in November.

U.S. Trade Center events scheduled include regular Department of Commerce shows in such product categories as building materials and systems, lasers and electro-optical equipment, and computer equipment. In addition, "Business Sponsored Promotion" shows so far scheduled will feature electronics production equipment, fluid power equipment, furniture, interior/housewares, apparel and meat. During the first half of 1978, combined spot and one-year projected sales for Department of Commerce-sponsored shows reached $43 million; for "Business Sponsored Promotion" shows, $60 million.

A joint U.S.-Japan Trade Facilitation Committee has been formed to supplement existing means of identifying American products with promising possibilities for export to Japan, of devising ways to use the Japanese marketing and distribution system to sell American products, and of examining specific difficulties with Japanese trade practices or procedures encountered by American business in selling on the Japanese market, with a view to solving these.



Investment pace remains slow

Japan's imports may be expected to pursue a generally upward trend.

In early 1976 the Japanese Government completed a program of liberalization with respect to investment from overseas. Four industries were exempted from this liberalization; and licensing policy sometimes inhibits new investment, whether domestic or foreign, in a number of others. Investment from overseas may be either in wholly-owned subsidiaries or in joint ventures. The Japanese Government regards the latter as preferable to wholly-owned subsidiaries in cases where the overseas partner provides a high technological input.

New direct foreign investments in Japan during recent years have been modest. A primary limiting factor has been the impact which the recession of the mid-seventies in Japan has exerted on investment from foreign as well as from domestic sources. The rise of the yen, with its impact on initial and on operating costs, may also have acted as a deterrent in recent months. Speculative capital inflow, on the other hand, has been rapid enough to elicit restrictive Japanese Government measures on short-term inflows. Continued improvement in the Japanese business climate would be likely to lead to some recovery for U.S. investment in Japan, despite the formal and informal restrictions which remain.

A slight nominal recovery occurred in late 1976 and early 1977 in Japanese overseas investment. Japanese willingness to invest in the United States has increased as U.S. costs have continued to decline relative to other countries; and Japanese manufacturers continue to value the U.S. market access which direct investment provides. One of the U.S. Export Development Missions to Japan is aimed at promoting Japanese investment in the United States.

Representational Agreements

Lessening Terminal Risks With OVERSEAS AGENTS

Officials of Spectron Corp., Mt. Laurel, N.J., and Elettronucleonica confirm an exclusive representation agreement at Milan last year.

The laws in many countries that specify the legal responsibilities of both parties in agency and distributor agreements often discriminate against the foreign principal. The best way to minimize the risks presented by these agency termination laws is to exercise care in selection of the agent or distributor as well as in drafting of the terms of the representational agreement. Ovidio M. Giberga of the Commerce Department's Foreign Business Practices Division has prepared the following study for Commerce America *readers of the hazards involved in such agreements. He outlines the elements that should be included to safeguard the principal's position, and shows how services of the Department of Commerce can be helpful in selecting a responsible representative.*

In the course of its contact with business officials who have, or have had, a foreign representative or agent, the Commerce Department has found that one issue stands out as the most troublesome, i.e., laws in a growing number of countries allow onerous economic remedies or sanctions to be lodged against principals who terminate, or fail to renew, agency or distributor agreements without justification as provided by such laws. These laws, which typically override the provisions of the contract if there is a conflict, can make the severing of an undesirable relationship with a foreign agent or distributor very painful for the principal in terms of the indemnification he is obliged to make. Occasionally, a termination, even if carried out according to the requirements of the local law, may result in protracted litigation

or an unwarranted settlement, when the foreign agent utilizes the nuisance possibilities in the often ambiguous legislation.

The proliferation of these agency termination laws can, in part, be traced back to the sudden increase in international trade that occurred following World War II. This surge of international business created an urgent demand for sales representation all over the world. Good agents and distributors were in short supply and there simply were not enough capable ones available to help provide the indispensable local outlets for the export product of the developed countries. As a result, in many instances little or no discretion was used to select foreign agents and distributors, the agreements were often hastily drawn and the terms inadequately understood by the local agents. A great number of those relationships ended in dissatisfaction and failure. These failures resulted in large numbers of terminations or modifications of contracts and replacements of agents by their principals.

In addition to this historical problem, other circumstances gave rise to continuing conflicts between the principal and the agent. The agency agreement is a contract and all contracts carry an unwritten question mark as to their future execution. This question eventually impinges upon the duration and execution of the agreement as well as the parties' expectation of the mutual profit involved. It is issues such as these which determine whether the relationship is a success or a failure, and whether it will endure or terminate.

Actions taken by the principal in changing the management, policy or corporate structure may have effects which determine whether the parties to an agency contract are satisfied with the relationship and whether it may require modification or termination. With the passage of time, agency relationships may deteriorate and either termination or a substantial overhaul of the agency or distributorship may be in order to improve its productivity, efficiency or some other feature. Furthermore, imponderable and unforeseen circumstances, such as are sometimes described as *force majeur*, may play havoc with the best laid plans. Domestic market changes may limit the agent or the principal in the ability to perform their respective rights and obligations under the agreement. Legislative enactment of an economic or financial nature may damage beyond recovery a business deal, thereby forcing the termination of the business operation. And finally, political occurrences and social upheavals may require the cancellation or termination of the contract.

Since local agents in foreign countries were often dissatisfied with the consequences described above, the governments in many countries, and particularly the Latin American countries, were put under political pressure to enact legislation to protect their nationals against what they considered arbitrary behavior by the foreign principals to an agency agreement. As a result, a growing number of nations have enacted contract termination laws, which unilaterally penalize the foreign principals by making it difficult to terminate the agency relationships without severe economic hardship. These laws restrict the freedom of the contracting parties to fashion the terms of their agreements to suit themselves, and are weighed in favor of the agent in the event of a contract termination. In fact, they make it practically impossible to terminate a foreign agency agreement without incurring substantial expenditures.

However, many countries have not followed this trend and have no special legislation penalizing or precluding the termination of agency agreements. The laws of these countries generally uphold the principle that parties to an agency contract are free to establish their mutually agreed legal terms and conditions. This freedom includes the right to express the intentions of the contracting parties as to termination, and a violation of the contract terms usually subjects the offending party to damages. Most of the countries in this category operate under Anglo-Saxon common law principles, although some civil law countries in Latin America, Europe, Africa and Asia also support the right to contractual freedom on the issue of agency terminations.

In countries that have agency termination legislation, the thrust of the laws is to go beyond the written or implied agreement to the underlying basis of the principal-agent relationship. They assume that the agent or distributor has a proprietary interest in the local market he has developed, as well as in the creation of goodwill for the principal's products or services. An economic value is then assigned to this abstract interest of the agent in an amount proportional to that of the duration of the agency. Accordingly, unless the deprivation is for a justified cause specified by the law, the agent is entitled to receive monetary compensation when his legally protected interest is terminated by the principal.

Even though these laws exact financial penalties for "unjust" terminations, they do nothing to eradicate the causes for dissatisfaction that lead to an eventual termination. Therefore, in most cases they do little more than penalize foreign principals who wish to terminate their relationship with local agents.

These laws often discriminate against foreign principals, by exempting domestic principals from the obligations they place on foreign principals. At times, this discriminatory effect appears to be contrary to the provisions of these countries' own constitutions and their mercantile and civil codes, which guarantee equal treatment for nationals and foreigners in the exercise of business in the country. These agency laws, when addressed solely to foreign principals, may indeed violate the spirit, if not the letter of commercial treaties or conventions, which guarantee national or non-discriminatory treatment for nationals of the signatory parties in their business relations in the host country.

Commerce specialists have found that one issue—termination—stands out as troublesome.

Characteristics of these laws

A survey of these agency termination laws indicates that they have many common characteristics. For example:

• All these laws tend to strengthen the agent's position under the contract, obliging the principal to compensate the agent according to scheduled rates for damages or losses caused by termination of the agency agreement without just cause. These protective laws define the words "just cause" or the equivalent, in situations where there has been termination of the contract according to law or the terms of the agency contract. Such laws then list and describe the reasons and situations under which an agency agreement may be validly terminated, i.e.,

Firms should consider potential problems at the time the agency is established.

incompetence of the agent or a serious decrease in sales or distribution due to circumstances attributable to the agent. The contract terms are valid if they do not violate any specific provisions of the protective laws.

- Laws declaring unwaivable the compensation and perhaps other rights granted to the agent by the protective legislation.
- Laws that establish the law of the enacting state as the sole applicable law; these preclude the parties from validly electing some other country's law to govern the contract.
- Laws placing agents on the same footing as employees, thus entitling them to the benefits of the local labor laws governing dismissal and compensation for discharging employees without just cause.
- Laws requiring that the agent be given notice of the termination some time prior to its effective date. Some of these laws require compensating the agent for the accrual of commissions during the notice period. Other laws require the principal to compensate the agent for the goodwill generated by the agent during the life of the agency agreement. In certain cases the compensation may take the form of a pension.
- Laws that allow an agent to contest a notice of termination by submitting the controversy to arbitration to determine whether the principal has a just cause for ending the relationship.
- Laws condoning the refusal to extend an expired agency agreement only upon a showing of just cause.

Given the fact that many countries now have these agency termination laws in effect, the principal can best minimize the risks involved by addressing the problems these laws create at the time the agency is established. This can be done by being aware of the particulars of these laws and then by taking great care in two aspects of creating a foreign agency—(1) selection of the agent or distributor, and (2) negotiation and drafting of the terms of the representational agreement.

How Commerce can help

The Department of Commerce can help when a potential principal wants to take advantage of either or both of these precautionary measures. The Bureau of Export Development (BED) offers a number of services intended to help U.S. business in the selection and appointment of foreign representatives. The Bureau of International Economic Policy and Research (BIEPR) can provide information, assistance and advice regarding the scope of foreign laws on agencies including those affecting terminations, and can supply guides and illustrative material on the preparation of a representational contract. The BED services for finding and selecting an agent are as follows:

Trade List Service: Names and addresses of foreign distributors, agents, purchasers and other firms, classified by the product they handle and the services they offer, are made available to U.S. firms through printed Trade Lists. Some of the lists are produced from information in the Foreign Traders Index. Others are prepared from data compiled in connection with BED's export promotion programs and from other sources.

The availability of new or revised trade lists is announced regularly in the Department's weekly Business Service Checklist. A free catalog of Trade Lists is available from Commerce District Offices or from: U.S. Department of Commerce, Bureau of Export Development, Room 1033-EID-FTI, Washington, D.C. 20230.

Agent Distributor Service: BED's Agent Distributor Service (ADS) helps U.S. firms find agents or distributors for their products in almost every country in the world. U.S. Commercial Officers overseas will identify up to six foreign firms that have expressed interest in a specific U.S. proposal. The charge for the service is $25. Application forms may be obtained from any Commerce Department District Office. Trade specialists at District Offices will help

For More Information

Commercial Agency Guide for the Drawing up of Contracts Between Parties Residing in Different Countries, United States Council of the International Chamber of Commerce, 1212 Avenue of Americas, New York, N.Y. 10036.

Go Global—How to Get In and How to Win World Markets, by Thomas E. Ferguson, Director, Cincinnati District Office, U.S. Department of Commerce, 8028 Federal Office Bldg., 550 Main St., Cincinnati, Ohio 45202.

Practical Aspects of Commercial Agency and Distribution Agreements in the European Community, by Robert T. Jones, January 1972, and **Overseas Distributorship Agreements,** by Marcellus R. Meek, April 1966, The Business Lawyer, American Bar Assn., 1155 East 60th St., Chicago, Ill. 60637.

Legal Considerations in Contracting with Foreign Agents and Distributors, by Michael Olson, Sorsey, Marquart, Windhorst, West and Halliday, 2400 First National Bank Bldg., Minneapolis, Minn. 55402.

Protecting Local Distributors—A Growing Latin American Phenomenon, by Jonathan Russin, Kirkwood, Kaplan, Russin and Vecchi, 1218 16th St., NW., Washington, D.C. 20036.

Signing up Your Agent, by Colin McMillan and Sidney Paulden, International Trade Forum, October 1969, Volume V, No. 3, published by International Trade Centre UNCTAD/GATT, Palais des Nations 1211, Geneva 10, Switzerland.

Indemnities for Terminating Foreign Representatives, by Federick O. Cowles, Boston University Press, Volume 53, No. 2, March 1973.

Foreign Business Practices, Nov. 1975, Rm. 4204, U.S. Department of Commerce, Washington, D.C. 20230.

a U.S. firm prepare an application. They will offer guidance and determine whether there are factors to discourage a business relationship.

World Traders Data Report Service: A World Traders Data Report (WTDR) is a trade profile that contains detailed commercial information, including financial references, on an individual foreign firm. WTDRs are prepared by the U.S. Foreign Service. A typical report includes background information on the firm, type of organization, year established, number of employees, size of firm, sales area, method of operation, lines handled, names of officers, general reputation in trade and financial circles, and names of the firm's trading connections. WTDRs are available from: U.S. Department of Commerce, Bureau of Export Development, Room 1033, Washington, D.C. 20230.

The complete name and address of the foreign firm must be submitted when ordering WTDRs. U.S. firms may contact the Commerce Department's Export Information Division in Washington, D.C., or the nearest Commerce District Office, where a trade specialist will assist in completing a request. To expedite requests for WTDRs, firms are urged to use form DIBA-431 (formerly IA-217) and submit $15 for each WTDR ordered.

Information on the agency termination laws of various countries and sample guides for the preparation of representational agreements are available from the Foreign Business Practices Division of the Office of International Finance and Investment. The Division has also put out a booklet, entitled "Foreign Business Practices," which contains not only a synopsis of numerous agency termination laws, but additional material on the practical aspects of exporting, international licensing and investing. Inquiries for this information may be directed to the Foreign Business Practices Division, Room 4204, U.S. Department of Commerce, Washington, D.C. 20230.

Protecting the principal

As to the principal's ability to safeguard his position through the contents of the representational agreement itself, the following should be noted:

The agency agreement should be in writing. The rights and obligations resulting from a written agreement require no extraneous proof and are necessary to record, or prove the terms of, a contract in many countries. Failure to reduce such contracts to writing may subject the contract and, consequently, the relationship, to the arbitrary whim of local law.

The agreement should set forth the benefits to both parties. Well-balanced agreements should not place an excessive or profitless burden on one of the parties. Otherwise, performance of the agreement may be impossible to enforce against the party who has no apparent benefit from it. This is particularly true if the enforcement is against a local agent.

A clear definition and meaning must be given to all contract terms. The accepted meaning of contractual terms is a frequent source of confusion and misunderstanding in foreign trade contracts. Many English words, having similar external spelling formation as foreign words, may have entirely different meaning. There should always be an English version of the agreement, which is expressly allowed to prevail in cases of doubt or controversy as to the meaning of contractual terms. To avoid any conflict on this matter the parties may adopt as controlling "The Revised American Foreign Trade Definitions." These definitions have been prepared by the Chamber of Commerce of the United States, 1615 H Street, NW. Washington, D.C. 20006, with the assistance of The National Council of American Importers, Inc., and the National Foreign Trade Council. Another aid to the certainty of terms is to conform the meaning of contractual terms to the definitions supplied by the International Chamber of Commerce in its publication entitled "INCOTERMS" (1212 Avenue of Americas, New York, N.Y. 10036).

The rights and obligations of the parties should always be expressly stated. Some of the restrictions placed on the agency contract by foreign laws may be waived, provided that these waivers are expressly agreed to in the agency contract. The agency contract should also contain a description of the rights and duties of each party, the nature, character and duration of the relationship and, where possible, the causes or conditions under which the agreement may be terminated.

Jurisdictional clause. Many foreign laws require that any adjudication of conflicts which arise pursuant to the representational agreement be referred to local courts. On the other hand, if local laws allow, it is advisable to specify in the contract the jurisdiction to handle any legal disputes which might arise, since the principal can thereby avoid exposure of such conflicts to unfamiliar laws and legal systems.

Arbitration. This could prove to be a useful avenue for avoiding litigation in foreign countries. Basic arbitration rules and principles are generally the same everywhere. A clause in the contract may be a general arbitration statement or a decision to arbitrate only specific issues. Such clauses should also contain an identification of the arbitration body or forum, and a statement as to the chosen arbitration rules and procedures. Model arbitration clauses may be obtained upon request from the American Arbitration Assn., 140 West 51st St., New York, N.Y. 10020, or the International Chamber of Commerce, 1212 Avenue of the Americas, New York, N.Y. 10036.

The impact of foreign laws on the contract should be carefully considered. What is a legally valid clause in one country may be nugatory or invalid in another. The drafter must, therefore, be familiar with the legal rules applicable to his contract, because the omission or invalidation of a particular clause may cause important issues under the contract to be decided according to the vicissitudes, or occasional chaos, of local laws.

A legally valid clause in one country may be invalid in another.

Information in this article is intended to serve as a general guide to the creation of foreign representational agreements for agencies and distributorships. However, it is strongly advised that the drafting and preparation of these agreements be entrusted to competent legal counsel.

WORLD MANUFACTURES:
A QUARTERLY REPORT

U.S. Share Of Exports Dips Slightly To Lowest Level Since Mid-'72

The U.S. share of world exports of manufactures, excluding shipments to this country, dipped slightly in the first quarter of 1978 to 18.9 percent. This brought the share to its lowest level since mid-1972. The first quarter decline was considerably less than the large drop posted in the October-December 1977 period, when U.S. exports were adversely affected by the dock strike affecting containerized shipping at East and Gulf Coast ports.

U.S. exports of manufactures, adjusted for seasonal variation, rose by about 2 percent in value in January-March of this year, bringing the total to within half a percentage point of the record level in the third quarter of 1977. At the same time, the growth in shipments from the other 14 exporters, which, with the United States, make up the "world" total in these calculations, slowed somewhat in the first quarter of 1978, based on values adjusted for exchange rate changes and seasonality. Nevertheless, the increase in their foreign sales remained higher than that recorded by the United States. As a result, the U.S. share dropped by two-tenths of a percentage point.

The first quarter decline was considerably less than the large drop posted in the October-December 1977 period.

Among the other leading suppliers of manufactures, the advance in exports by Germany and France slowed considerably in the first quarter of the year from the substantial rates of growth in October-December 1977. Italy's exports posted a decline. In contrast, the growth in foreign sales of the United Kingdom, Japan, and Belgium-Luxembourg was considerably stronger this year than in the final quarter of 1977.

The U.S. export value for total manufactures and the U.S. share of world manufactures exports in the first quarter are not *exactly* comparable with those for previous quarters listed in the accompanying table. The differences, however, are thought to be quite minor for all manufactures as a group. They mainly involve the shift out of manufactures of a few chemical products and crude materials beginning in 1978, and the inclusion of fatty acids and some relatively small-valued crude materials.

These changes were mainly brought about by the shift to the second revision of the Standard International Trade Classification (SITC) by the United States and all other industrial countries included in this report except Japan and Canada.

The movement among the various types of manufactures, however, was extensive enough that accurate comparisons of exports in the six major manufactures groups based on Revision 1 of the SITC for 1977 and previous years are not comparable with those for the first quarter of 1978 based on SITC Revision 2. Analysis is currently under way to investigate the extent of the shifts in industrial countries' trade figures, but at present it can only be stated that, for the United States, the values of exports for chemicals and transport equipment appear to be nearly comparable for 1977 and 1978, but the other types of manufactures have changed enough in content to invalidate comparisons.

U.S. shares of world exports of the six categories are preliminarily estimated in the first quarter of 1978 as follows:

Nonelectric machinery	24.7%
Electric machinery	20.4%
Transport equipment	21.6%
Chemicals	19.9%
Basic manufactures	10.6%
Misc. manufactured articles	18.5%

These data are not comparable to the data series used prior to 1978, but work is now in process to develop estimates of useful time-series data for previous quarters.

The U.S. share remained substantial in most types of manufactures, but continued to be relatively modest in basic manufactures which are primarily semi-manufactures such as metals, textiles, nonmetallic mineral products and paper.

U.S. SHARE OF WORLD EXPORTS OF MANUFACTURES

Quarters adjusted for seasonal variation

Commodity		U.S. exports (million dollars)	U.S. share* (% based on export-weighted exchange rates [1])
Manufactures, total			
1976		78,526	20.5
1977		81,966	19.8
1976	1st qtr.	18,510	20.5
	2nd	19,578	20.6
	3rd	19,956	20.3
	4th	20,419	20.6
1977	1st	20,002	19.9
	2nd	20,422	20.0
	3rd	21,031	20.4
	4th	20,582	19.1
1978	1st	20,936	18.9

Note: Figures for 1978 are preliminary. Beginning 1978, data for all countries except Canada and Japan are reported according to Revision 2 instead of Revision 1 of the United Nations Standard International Trade Classification. Although some types of manufactures have been shifted from one classification to another, the 1978 quarterly total for all manufactured exports is considered to be reasonably comparable with that of earlier periods.

The term "manufactures" refers to chemicals, machinery, transport equipment, and other manufactures except mineral fuel products, processed food, fats, oils, firearms of war, and ammunition. World exports are defined as exports from the 15 major industrial countries. Percentage shares are based on values excluding shipments to the United States. These nations, which account for 80 percent of world exports of manufactures to foreign markets, are: United States, Austria, Belgium-Luxembourg, Canada, Denmark, France, Fed. Rep. of Germany, Italy, Netherlands, Norway, Sweden, Switzerland, United Kingdom, Japan.

* Of world exports to foreign markets.

[1] Export-weighted exchange rate indexes are calculated for each supplier in each period, using official rates of exchange *vis-a-vis* 67 principal markets.

Official Trade Briefs

This article is another in a series of reports that describes actions affecting world trade, as compiled by the Import Policy Division of the International Economic Policy and Research Bureau's Office of International Trade Policy.

THE PRESIDENT

New Public Law: The President signed into law H.R. 10732, (PL. 95-354) to authorize appropriations to carry out the **Fishery Conservation and Management Act of 1976** during fiscal years 1979, 1980 and 1981.

CONGRESS

Enrolled Enactments: The Senate agreed to the conference report on S. 9, to establish a policy for the management of **oil** and **natural gas** in the Outer Continental Shelf, with certain "Buy American" provisions, thereby clearing the measure for the President.

Also, the House cleared for the President H.R. 10899, to provide for Federal regulation of participation by **foreign banks** in domestic financial markets.

Bills Passed-House: The House passed H.R. 12931, making appropriations for **foreign assistance** and related programs for the fiscal year ending Sept. 30, 1979. The Act includes, among others, amendments to prohibit use of funds for direct or indirect aid to **Cuba**; to prohibit the use of U.S. funds appropriated to the International Development Association to finance any assistance or reparation to **Vietnam**; and to direct the U.S. Governors to several international financial institutions to propose and seek adoption of an amendment to the Articles of Agreement for their respective institutions to establish **human rights** standards to be considered with each application for assistance.

Bills Passed-Senate: The Senate agreed to the conference report on H.R. 8149, the proposed **Customs Procedural and Simplification Act of 1978**, thereby clearing the measure for further action of the House.

Bills Reported-House: The Committee on Agriculture ordered favorably reported to the House, H.R. 13356, amended, **Agricultural Foreign Investment Disclosure Act.**

Bills Reported-Senate: Also, the Senate Committee on Foreign Relations ordered favorably reported, with amendments, S. 2053, to promote the orderly and environmentally sound exploration for and commercial recovery of **hard mineral resources** of the deep seabed.

Committee Action-House: Committee on Ways and Means: The Subcommittee on Trade held a hearing to consider stabilization legislation on **sugar.**

Committee on International Relations: The Subcommittees on International Economic Policy and Trade and on Africa held hearings on H.R. 12463 and related bills, regarding private investment in **South Africa.**

Committee on Merchant Marine and Fisheries: The Committee on Oceanography held an oversight hearing on the **Law of the Sea Conference.**

Committee Action-Senate: Committee on Finance: The Subcommittee on International Trade held hearings on S. 2920, to prohibit the President from negotiating reductions or elimination of duties or import restrictions on certain imported **textiles or textile products.**

New Legislation: In the first and second sessions of the 95th Congress, 453 trade and related bills have been introduced. Those not previously reported include: H.R. 13750 and H.R. 13848, to implement the **International Sugar Agreement** between the United States and foreign countries, to protect the welfare of consumers of sugar and those engaged in the domestic sugar producing industry and to promote the export trade of the United States; H.R. 13834, to suspend the duty on **freight cars** until the close of June 30, 1982; H.R. 13874, to provide indemnities to **beef, goat** or **sheep** producers or owners when imported quotas are used to suppress market prices; H.R. 13887, to amend the **Endangered Species Act of 1973** to establish an Endangered Species Interagency Committee to review certain actions to determine whether exemptions from certain requirements of that act should be granted for such actions; H.R. 13910, to amend the Tariff Schedules of the United States to provide a temporary suspension of the duty on certain **freight car parts**; S. 3437, to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 and other laws to prevent the illict importation of **controlled substances** into the United States; and H. Con. Res 692, to request the President to convene a White House Conference on Foreign Trade.

TREASURY

Antidumping Cases: The Treasury Department has issued final affirmative findings of sales at less-than-fair value in two cases. The products involved are **steel wire strand** from Japan (except for that sold by the Kawatetsu Wire Products Company) and **motorcycles** from Japan. These cases have been sent to the U.S. International Trade Commission (ITC) for determinations of whether the low price sales are causing injury to the relevant domestic industries. If so, antidumping duties will be assessed on the subject imports.

In addition, the antidumping proceedings regarding **cold rolled and galvanized carbon steel sheets** from Belgium, France, the Federal Republic of Germany, Italy, the Netherlands and the United Kingdom have been terminated following the petitioners withdrawal of the complaints. The petitioner withdrew the complaint without prejudice to reinstitution, in order to allow for the unimpeded working of the trigger price mechanism on steel.

In other antidumping action, the Department has issued a preliminary negative determination regarding sales at less-than-fair value of **steel wire rope** from the Republic of Korea and tentative affirmative findings and withholdings of appraisement regarding **cumene** from the Netherlands and **silicon metal** from Canada. The antidumping investigation regarding **cumene** from Italy has been tentatively discontinued due to a finding of minimal margins and price assurances regarding future sales.

Finally, a new investigation has been initiated regarding alleged sales at less-than-fair value of **sugar** from Belgium, France and the Federal Republic of German. (See ITC section).

Countervailing Duty Cases: The Department has issued a final affirmative finding that bounties or grants are being paid or bestowed on imports of **chains of iron or steel and parts thereof** from Japan. A countervailing duty will thus be assessed on the subject imports.

In addition, preliminary findings have been issued in two countervailing duty cases. A preliminary affirmative finding of subsidization was made regarding **oleoresins** from Spain and a preliminary negative determination was issued with regard to **papermaking machinery** from Finland.

Finally, new countervailing duty proceedings have been commenced to consider alleged subsidization of **textiles and men's and boys' apparel** from Malaysia, Mexico, Pakistan, Singapore and Thailand.

LABOR

Workers' Trade Adjustment Assistance Certifications: The Labor Department, having found that approximately 6,950 workers have been or may become unemployed as a result of increased imports, has certified these workers as eligible to apply for trade adjustment assistance. They are or were employed at firms producing the following products: **footwear and parts, apparel, steel and steel products, baseballs, softballs, O-rings and lathe cuts, watches and parts, textile machinery,**

roller skate boots and ice skates, handbags, lighters, electric shavers, copper and copper products, electronic receiving tubes and mounts, cast iron cookware, woven greige goods, mushrooms, zinc concentrate, power supply packages.

Denials: The Department denied petitions for trade adjustment assistance for over 6,190 workers engaged in the manufacture of the following goods or the performance of the following services: **apparel, handbags, fabrics, railroad products, pre-fabricated metal buildings, transporting services, steel and steel products, construction of mine facilities and shaft sinking, iron ore, specialty nuts, fasteners, glass bushings, bulbs, beads, cutting and finishing of lumber, basic oxygen furnaces, ladles, cylinder railroad cars, footwear and footwear components, shoe patterns, quartz crystals, standard and specialized tanks, wrought iron tanks, communications equipment, surveillance equipment decoders, graphite electrodes and anodes, antennas and transformers, fabric, textile converting, polysulfone, phenolic, and polystyrene plastics, motorcycles, golf cars, processing of steel orders, hardboard, transportation services, and voice-controlled electro-mechanical toy vans.**

INTERNATIONAL TRADE COMMISSION

Import Relief—Section 201: The Commission has made a finding, following an investigation under the "escape clause," section 201 of the Trade Act of 1974, that imports of **fishing bait and flies** are entering the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry. The ITC recommended that the President suspend duty-free treatment of the product under the Generalized System of Preferences for a five-year period, as a means of providing relief to the industry. The ITC also determined, following the same investigation, that imports of **snelled hooks, rods, reels, and parts thereof** were not causing injury to the domestic industry.

The ITC has instituted two new investigations under the "escape clause." The investigations will consider whether imports of certain **machine needles** and of **bolts, nuts, and large screws of iron and steel** have been entering the U.S. market in such increased quantities as to be a substantial cause of serious injury to the relevant domestic industries. The latter investigation constitutes the second "escape clause" case on industrial fasteners conducted in recent months. The first resulted in an affirmative ITC injury finding last November, but the President declined to impose import relief, finding it was not in the national economic interest. While Congressional efforts to override the President's decision were unsuccessful, the House Ways and Means Committee requested initiation of a new investigation and the ITC found good cause to do so.

A public hearing will be held in the machine needles case in the ITC Hearing Room, 701 E St., NW, Washington, D.C. on Nov. 20 at 10 a.m. Requests to appear must be received by noon Nov. 15.

Antidumping Cases: Following an affirmative Treasury finding of sales at less-than-fair value, the ITC issued a determination that such sales of **steel wire strand** for **prestressed concrete** from India are not causing injury to the domestic industry. The case was thus terminated and no antidumping duties will be assessed.

In other action, the ITC has issued preliminary affirmative findings, under section 201 (c) (2) of the Antidumping Act of 1921, that there is a reasonable indication that a U.S. industry is being, or is likely to be, injured by reason of the U.S. importation of **perchlorethylene** from Belgium, France, and Italy, of **stainless steel round wire** from Japan, and of **sugar** from Belgium, France and West Germany. Section 201 (c) (2) authorizes the Secretary of the Treasury, following initiation of an antidumping investigation, to request a preliminary determination from the ITC regarding injury. If no reasonable indication of injury had been found, the Secretary of the Treasury would have been authorized to terminate the antidumping investigation.

In addition, the ITC has begun injury investigations following findings of sales at less-than-fair value of **steel wire strand** for **prestressed concrete** and **motorcycles**, both from Japan.

INTERNATIONAL

Foreign Antidumping Actions: The Government of Canada has announced a final determination of dumping of imported **ball-type metal furniture casters** from Korea which are shipped to Canada through a U.S. importing company. Antidumping duties will be levied on the subject goods.

In other Canadian action, the investigation involving **steel wire rope** has been terminated, and no additional duties will be assessed.

Finally, the Commission of the European Economic Community has announced opening of an antidumping investigation regarding **vinyl acetate** from the United States.

Foreign Safeguard Actions: The Government of Australia has announced that it is imposing a temporary global import quota on certain **uncoated hot rolled steel sheets and plates** in order to protect its domestic industry against injurious imports of the subject product. Imports will be limited to 162,500 tons over a 12-month period.

U.S. Industrial Production Shows Second-Quarter Gains, While Foreign Output Drops

The pace of U.S. industrial production grew at an annual rate of 12.7 percent during the second quarter of 1978, a marked change from the first quarter's 1.0 percent. In contrast, foreign industrial production in the second quarter increased 2.0 percent at an annual rate, far below the first-quarter advance of 7.2 percent.

These findings are contained in the latest "Foreign Industrial Production" report published by the Commerce Department's Industry and Trade Administration. The index is a weighted average of industrial production indices of six countries (Canada, France, Italy, Germany, the United Kingdom and Japan), and covers approximately 80 percent of total developed-nation production outside the United States.

The industrial output of major U.S. trading partners has not shown significant momentum since the fourth quarter of 1976. Conversely, U.S. output, despite its slow first quarter 1978 performance, has remained strong since the last half of 1975.

Reflecting this, the level of second-quarter U.S. industrial production was 7.7 percent above that of the first quarter of 1976, while foreign industrial production grew only 0.9 percent over the same period. The disparity in industrial output growth between the United States and major foreign industrial countries is a major factor in the large U.S. trade deficit over this period.

Industrial production during the second quarter rose at annual rates of 7.3 percent in Japan, 5.4 percent in France, 4.6 percent in Canada, and 3.9 percent in the United Kingdom. It declined at a rate of 3.4 percent in Germany and 6.9 percent in Italy.

Copies of the current "Foreign Industrial Production" report are available from the Industry and Trade Administration (Room 2036), U.S. Department of Commerce, Washington, D.C. 20230, tel. 202-377-4921.

Investment Mission To Visit Southeast Asia In October

The Overseas Private Investment Corporation (OPIC) is organizing an investment mission scheduled to visit the Philippines, Indonesia, Singapore, Malaysia, and Thailand Oct. 26-Nov. 10. The mission will be comprised of some 30 to 35 top management officers from 15 to 20 diverse industry sectors.

For information on participating, contact: Carl H. Middleton, Director of Investor Missions, OPIC, 1129 20th St. NW., Washington, D.C. 20527; telephone, 202-632-1780.

BOOMING OIL EQUIPMENT MARKET BENEFITS FAIR EXHIBITORS IN AMSTERDAM

Strong demand is continuing for the "nuts and bolts"—valves, pumps, compressors, fittings, filters—of the oil, natural gas, and petrochemical industries. According to industry specialists at a recent exhibition in Amsterdam, the need for replacement equipment alone over the next several years assures a vibrant market.

At PETROTECH '78, a biennial international exhibition of equipment for offshore and onshore exploration, processing, and distribution, the Commerce Department's International Marketing Center in Cologne sponsored a U.S. pavilion where 33 participants representing 50 firms displayed a variety of such equipment. The exhibitors, for the most part new to the market or to exporting, reported direct sales of $3,093,124 during the event, and project some $36.9 million worth of orders within the next year. Eighteen representational agreements were signed and another 64 are expected over the next 12 months. Also, two licensee joint venture agreements were concluded. Other U.S. exhibitors, interspersed throughout the fair area, affirmed a continuing strong demand for the kinds of equipment featured.

Best results in the U.S. pavilion were obtained by companies introducing a new product or technology. While the technology may not have been highly sophisticated, it was geared to meet specific future requirements. Thus, firms introducing pipe anti-corrosion chemicals, fin tubing, pipe coating materials, and plastic pipe and fittings did extremely well. Some other firms, showing certain instruments, had less favorable results.

Technology and design were cited most frequently by the exhibitors as the principal reasons for their marketing success. Service and price, particularly because of the current weakness of the dollar, were also cited.

Among products reported as having the best sales potential were: industrial heat tracing equipment, computer software, environmental equipment, industrial filters, centrifugal refrigeration units, drilling/trapping machines, gas turbines, gears, clutches, plastic cutting tools, valves, fittings, tubing, steam traps, tube temperature thermocouples, oil spill containment equipment, and industrial fans.

According to the fair organizer, RAI Gebouw B. V., almost 10,000 visitors attended PETROTECH '78, of which 750 were from outside the Netherlands.

SELLING IN NETHERLANDS—*Photos at right show U.S. exhibitors describing and demonstrating products in U.S. pavilion at* PETROTECH *'78, Amsterdam.*

BURGEONING GRAPHIC ARTS INDUSTRY IN VENEZUELA SPURS EQUIPMENT BUYING

Exhibitors at a recent display of U.S. printing and graphic arts equipment in Caracas were beneficiaries of a combination of circumstances that have produced a favorable environment for the sale of their products in Venezuela.

A burgeoning graphic arts industry is a primary objective of Venezuela's current economic plan, which is designed to diversify and strengthen the national economy by strategic deployment of the fruits of the oil boom. In this growing economy, business and government are both becoming more document-conscious, while improved living standards are generating new interest in reading matter and product packaging. The Venezuelan printing market relies exclusively on imports to supply the growing demand for graphic industries equipment.

Floor sales at GRAFIQUIPOS '78 amounted to $3.8 million and sales over the next 12 months are expected to total $18.3 million. Best prospects were found to be in photocomposition equipment, where U.S. suppliers have taken the lead as the Venezuelan market shifts from mechanical methods to sophisticated computerized equipment. Also having good sales potential, according to GRAFIQUIPOS exhibitors, are large high-speed offset presses, particularly those used by newspapers.

While price and quality are obviously important selling factors in Venezuela, there was a remarkably strong consensus by exhibitors and local representatives that a "package" that includes equipment along with servicing facilities, parts availability and training of local personnel, gives U.S. firms a decided advantage over competitors that might have a more attractive price but no "package" of services.

U.S. manufacturers are the major suppliers of Venezuelan graphic industries equipment, accounting for 42 percent of the industry's imports in 1976. As market demands continue to shift toward the more sophisticated products in which American producers excel, their share is expected to increase to 44 percent in 1981, or $23 million. Among the many U.S. firms successfully competing in Venezuela are Bell & Howell Co., Compugraphic Corp., A. B. Dick Co., and Eastman Kodak Co. Strong competition for U.S. suppliers will continue to come primarily from West Germany, whose suppliers are solidly entrenched in such items as gravure, bookbinding equipment, letterpresses and offset machines.

The Venezuelan printing industry expects to increase its investment in graphic arts industry equipment by an average of 11.2 percent over the 1977 total of $35 million. The market for typesetting and typemaking equipment is projected to advance briskly at about 12 percent annually through 1981, reaching a value of $6.5 million. Trade sources anticipate that by 1981 most large-scale printers of newspapers, journals, books and brochures will have replaced manual input with some type of photocomposition apparatus.

USSR's Increasing Interest In Geological Prospecting Points To Equipment Needs

The Soviet Union is showing growing interest in geological prospecting. The current Five-Year Plan aims for a 50-percent increase in activity in this area over the previous plan, with special attention going to those types of mineral raw materials for which the highest rates of consumption growth are intended: oil and natural gas, copper pyrite, coking coal, iron ores and phosphorites. Responding to this development, the U.S. Department of Commerce earlier this year sponsored GEOTECHNIKA '78, a seminar and "mini-exhibit" on geophysical exploration equipment and technology, at the U.S. Commercial Office in Moscow.

The seminar presentations were well received by a knowledgeable Soviet audience, according to the six participants—all of whom commented favorably on the event. "It is the only way, in this country," said one U.S. firm representative, "of contacting end users and of disseminating information."

Ministry of Coal officials were especially interested in one firm's equipment for locating new seams. Soviet dam-building enterprises were interested in another firm's equipment to detect deep earth cavities at dam construction sites.

The U.S. participants are projecting their sales in the next 12 months at some $2.2 million.

Soviet research indicates that considerable reserves of mineral raw materials are available in the shelf zones of seas and oceans and the various regions in the European and Siberian parts of the USSR. The task of raising the economic effectiveness of prospecting and exploratory work could be aided by improving the supply of equipment for this work and by introducing new highly productive equipment, apparatus, and instruments.

In the USSR, the State Committee for Science and Technology, responsible for supervision and coordination of all scientific and industrial research and development, plays a key role in choosing foreign suppliers of equipment and technology for priority projects and works closely with many Western business firms. The Ministry of Geology is responsible for planning and administering development of mineral resources. The foreign trade organization, MASHPRIBORINTORG, handles foreign purchases of equipment for the various end-user ministries. Actual purchasing decisions in the Soviet Union are normally initiated by the end users themselves.

Companies participating in GEOTECHNIKA '78 were: Applied Research & Development Co., Inc., Houston; Bison Instruments, Inc., Minneapolis; Christensen Diamond Products Co., Salt Lake City; Geometrics, Inc., Sunnyvale, Calif.; Geosource Inc., Houston; and IBM World Trade Corp., White Plains, N.Y.

Malaysians Demonstrate Keen Interest In U.S. Instruments

U.S. company representatives participating in a recent seminar and exhibition in Malaysia found that the technical presentations, while limited in scope, were so popular that repeat performances were necessary to accommodate the larger than expected audiences.

SCIENEX '78, sponsored by the U.S. International Marketing Center in Singapore and held in Kuala Lumpur, the Malaysian capital, featured scientific and industrial analytical instruments. Laboratory research and development is expanding rapidly throughout the country and this event provided a focus for Malaysian scientists and technicians, both government and private, not seen before in the area.

"The desire by Malaysians for acquiring technical knowledge in the field of science was very apparent," said Center Director Tom Moore. "The local interest displayed in the equipment of this exhibition supported the findings of the U.S. Department of Commerce research which was directed toward priorities in this field created by government and industry in Malaysia, the likely course of development in research over the next three to five years, and ways in which American instrument manufacturers could contribute to relevant endeavors through progressive improvement of analytical research."

Products displayed at the exhibition included such diverse equipment as microscopes, tissue processing and sectioning apparatus, automated chemistry analysers, pH meters, toxic gas analyzers, various specialized products connected with tissue culture/viral diagnostic biomedial work/microtitration, and products and systems for making precision separations in liquids and gases, nuclear multichannel analyzers, high energy physics instruments, charged particle detectors, vibration/shock measurement systems and computing integrators.

Floor sales approaching $100,000 were reported; and estimates for the next year, about $2.9 million. Many of the trade visitors expressed their interest in representing the American firms in the region.

PROMOTING SECURITY—*Norbert Chillaud, representative for Racon, Inc., Seattle, during exhibition of U.S. security equipment in Paris gives technical explanation to potential customer concerning outside microwave barriers.*

PURCHASES OF SECURITY DEVICES GROW IN FRANCE AS PROBLEMS INCREASE

The market for security devices in France is expected to grow at a high rate in the years ahead. Security problems for individuals, commerce, and industry are increasing and the French will continue to rely on imports to supply portions of the equipment demand.

Confirming this trend, 42 exhibitors representing 58 companies projected $9.7 million in sales of industrial and commerical security equipment as a result of an exhibition at the U.S. Trade Center in Paris earlier this year.

An array of ultra-sonic, infra-red, and wireless intrusion detectors, exotic alarm systems and closed circuit surveillance equipment, body and vehicle armour, weapons, access control, photo identification, locking systems, and counterfeit money/check scanners attracted more than 1,200 business visitors from France and 12 other countries in Western Europe, the Middle East and Africa.

Virtually all of the exhibitors and visitors interviewed during the show were unanimous in affirming the acceptance in French markets of American security systems. The main selling points for U.S. equipment are quality, sophistication, durability, and healthy resale margins for agents and distributors. Most of the products displayed were brand new to the French market.

U.S. penetration of the market is already increasing; however, as the French and European markets grow, firms can expect increased competition within Europe. Thus, U.S. suppliers will be required to use more aggressive marketing techniques and to develop sales and service representation in France or Europe.

Noteworthy sales achievements during the show were the rule rather than the exception. One participating agent, exhibiting for two U.S. firms, projects not only $750,000 for these two companies, but concluded agreements with two other U.S. exhibitors worth a projected $1.3 million in the next year. Armoured Vehicle Builders of Pittsfield, Mass., took orders worth $250,000, and projects another $500,000 in the next 12 months for its armoured cars. Uniquy, of Santa Ana, Calif., exhibited for the first time ever a new wireless system for hotels, and expects to sign five distributor agreements in the next year with projected sales of $250,000. The first installation in the world of this system is now almost completed at the Paris Hilton.

Almost half of the exhibiting companies project six-digit sales in the next 12 months. Fifty-four of 58 companies in this successful event were in the small to medium sales category (annual sales less than $1 million to $50 million). Fifty-one of the companies were new to the French and/or European market, and used the Paris exhibition to launch their overseas sales.

U.S. Food Processing, Packaging Show In Mexico Wraps Up Sizable Sales

A "two-in-one" exhibition, featuring food processing and packaging equipment and general packaging equipment as well, recently drew some 1,400 registered business visitors to the U.S. Trade Center in Mexico City. The double, or "overlapping," focus of the event, BIEXPO '78, helped sell $789,994 worth of equipment in five days.

Both food processing and packaging in general have become more sophisticated in Mexico in recent years. Major growth in consumer demand for processed foods can be expected over the next decade and beyond, and attractive presentation of all kinds of products is becoming a prime element of merchandising in the increasingly urban economy. The 36 exhibitors expect some $5.9 million worth of orders in the next 12 months. Two agents and three manufacturing licensees were appointed during the show.

Best prospects are for moderately sophisticated equipment suitable for small- to medium-scale operations, the participants found. Filling machines, labeling machines, coding equipment, fresh meat and cheese and frozen poultry packaging equipment, and quality analyzing equipment were most popular with visitors to the exhibition. Other products with good sales potential were chillers and ice makers, ice plants, case packing equipment, medium-speed bagging machinery, and fruit and vegetable dehydration equipment.

Prices of U.S. equipment do not appear to impede sales in Mexico. Although in some instances European products may be less expensive, U.S. suppliers can offer shorter delivery time. Some exhibitors felt that European equipment is sometimes "over engineered," and thus high in cost for the job at hand. U.S. equipment, designed to meet specific requirements, may be considered more appropriate for a market such as Mexico—which has smaller scale operations than are found in Western Europe.

In addition, because many of the larger Mexican food processing companies and other users of packaging equipment are affiliated with U.S. firms, engineers frequently are familiar with U.S. equipment and technology.

The United States is the major supplier of packaging and food processing machinery to Mexico, with a more than 60 percent share of the import market. Increased production by Mexican manufacturers, who supply only 25 percent of the country's food processing equipment and 10 percent of its packaging equipment, could in time squeeze out some U.S. imports; but as Mexican inflation rates currently are higher than those in the United States, Mexican goods are likely to be more costly than imported manufactures.

Calendar For World Traders

Sep. 26—Newton, Mass.—Meeting of New England Council of American Electronic Associations. Speaker: Stanley J. Marcuss, Dep. Asst. Secretary of Commerce for Trade Regulations. Information: Commerce Department District Office in Boston, 617-223-2312.

Sept. 27-29—Palo Alto, Calif.—Seminars on Foreign Tax Planning, Introduction to International Taxation, and Foreign Investment in U.S. Real Estate, sponsored by World Insitute of Trade, at Ricky's Hyatt House. Information: 212-466-4044.

Sept. 28—Houston—Conference on Malaysia: Land of Investment Opportunities, sponsored by Federal Industrial Development Authority of Malaysia in collaboration with Houston World Trade Association and First City National Bank of Houston, at World Trade Club of Houston. Contact: Jan Spearman, 713-225-0968.

Sept. 28—Raleigh, N. C.—North Carolina World Trade Assn. seminar on Doing Business in the Near East. Speaker: Peter Hale, Director of Commerce Action Group for the Near East.

Sept. 28—Buffalo—Seminar on Tokyo Round Negotiations, sponsored by Buffalo World Trade Assn. Contact: Bernice Lymburner, 716-842-5177.

Oct. 2—New York—1978 Conference on Asia, sponsored by Far East-American Council, on Asian-American Economic Partnership: Today's Challenges, Plaza Hotel. Information: 212-265-6375.

Oct. 2-5—New York—Three American Management Associations' seminars, on Andean Common Market, Chile Update and Argentina Update, Americana Hotel. Thomas C. Brewer of Commerce Department's Bureau of Export Development will speak at seminar on Andean Common Market. Information: 212-586-8100.

Oct. 2-6—New York—Chase Manhattan introductory seminar on International Financial Management, Barclay Hotel. Contact: Lisa Salcido, 212-552-6785.

Oct. 3—New York—FCIB international round table conference, Summit Hotel. Information: 212-725-1700.

Oct. 3-6—New Orleans—World Trade Institute seminars on Marine Cargo Insurance, U.S. Custom Law: A Problem-Solving Approach, Obtaining Foreign Investments in U.S. Energy Resources and Dealing with the Boycott, at International House. Information: 212-466-4044.

Oct. 3-6—New York—World Trade Institute seminars on Computer Workshop for Shippers and Solving Tax Problems in Compensating Employees Overseas, at World Trade Institute. Information: 212-466-4044.

Oct. 4—Boston—International Business Center of New England seminar on Import Documentation and Procedures. Information: 617-542-0426.

Oct. 4—Fort Atkinson, Wis.—Seminar on Introduction to Exporting. Contact Milwaukee Commerce Department District Office, 414-291-3473.

Oct. 4—Detroit—Interagency Task Force seminar on encouraging small and minority businesses to export, at Radisson Cadillac. Information: Paul Litton, Detroit Commerce Department District Office, 313-226-3650.

Oct. 5—Chicago—International Trade Club luncheon meeting on the Chilean Economic Miracle, at Palmer House. Speaker: Sergio De Castro, Chile's Minister of Finance. Information: 312-341-9021.

Oct. 5—Memphis—Mid-South Exporters' Roundtable, Monte's Restaurant. Contact: Commerce Memphis District Office, 901-521-3213.

Oct. 5—Cleveland—World Trade Association's monthly trade luncheon. Subject: Doing Business in Argentina. Information: 216-621-3300.

Oct. 6—Houston—World Trade Assn. special luncheon on Future American-Arab Relations Beyond the Camp David Summit, World Trade Club. Information: Jan Spearman, 713-225-0968.

Oct. 11—Wisconsin Rapids, Wis.—Meeting on Developments in Exporting, local Chamber of Commerce. Information: Commerce Department Milwaukee District Office, 414-291-3473.

Oct. 11—Houston—Center for International Business meeting on Solutions for Deteriorating U.S. World Business Position, Galleria Plaza Hotel. Deputy Asst. Secretary of Commerce Stanley J. Marcuss will speak. Information: 713-871-1771.

Oct. 11—New York—Meeting of FCIB Book Exporters Credit Group, Summit Hotel. Information: 212-725-1700.

Oct. 11-20—Chicago—World Trade Institute seminars on Export Documentation and Traffic, Multinational Treasury Management, Handling Exports Effectively: Cargo Movement, Establishing and Controlling International Joint Ventures, Introduction to International Business and Introduction to Internal Auditing, all at Drake Hotel. Information: 212-466-4044.

Oct. 12—Greenville, S. C.—International Shipper's Forum, Sheraton Inn. Information: Commerce Department District Office, Columbia, S. C., 803-765-5345.

Oct. 12—New York—Overseas Automotive Club, Inc., luncheon meeting, Summit Hotel. Information: J. Stewart Gillies, 212-725-1700.

Oct. 12—Chicago—International Trade Club seminar on Licensing and Joint Ventures, Palmer House. Information: Grace Pertell, 312-341-9021.

Trade, Investment Issues Will Get NFTC Spotlight

Business and government leaders will focus on "Realistic Policies for Expanding World Trade and Investment" at the 65th National Foreign Trade Convention Nov. 13-14 at the Waldorf-Astoria in New York. Charles J. Pilliod Jr., chairman and chief executive officer of Goodyear Tire & Rubber Co., will serve as chairman.

The convention theme will be addressed at a two-part International Trade and Investment Session that will deal with such subjects as facing up to protectionism, trade negotiations—an assessment, U.S. trading competitiveness, industrial relations—forces of change affecting management decisions, roadblocks to foreign investment, tax treatment of foreign-source income, and energy—policy and economic outlook. An International Finance Session Nov. 14 will consider inflation, the dollar problem, global balance of payments, and financing trade and investment.

Information about the conference is available from its sponsor, the National Foreign Trade Council, Inc., located at 10 Rockefeller Plaza, New York, N.Y. 10020, tel. 212-581-6420.

East-West Trade Seminars Set For 3 Cities in October

As part of a nationwide program, the Commerce Department's Bureau of East-West Trade has organized seminars in several U.S. cities on how to do business with the communist countries. Three will be held in October.

Konstantin Grigorov, Bulgarian Ambassador to the United States, will speak at a seminar Oct. 3 in Salt Lake City (Triarch Travel Lodge).

Grigorov also will speak at a seminar Oct. 5 in Santa Clara, Calif. (Marriott Hotel), as will Kempton B. Jenkins, Deputy Assistant Secretary of Commerce for East-West Trade.

On Oct. 10, Jenkins will address a seminar in Seattle (Downtown Hilton).

Information can be obtained from Eric Kihl, Commerce Department, Washington, D.C. (202-377-2871), or from the Salt Lake City, San Francisco and Seattle Commerce Department District Offices.

COMMERCE UPDATE
ON THE DOMESTIC SCENE

MINORITY SUPPLIERS—Sales of minority suppliers to National Minority Purchasing Council members reached $1.1 billion during 1977, topping the Council's goal of $1 billion for the year. Council Chairman Augustine R. Marusi, Chairman of Borden, Inc., said 1977 sales showed a 43 percent increase over 1976. The National Minority Purchasing Council is a non-profit corporation founded in 1972 by Commerce's Office of Minority Business Enterprise (OMBE). Nearly 1,000 major companies participate in the program.

SENIOR FIRE WARDENS--A group of 50 senior citizens of New York City will carry out fire safety inspections and install smoke detectors in the low-income homes of older persons living alone and confined to their homes in the Bronx, Manhattan, and Brooklyn areas, and receiving "Meals on Wheels" and "Home Care Services." The program is an educational effort of Commerce's National Fire Prevention and Control Administration (NFPCA).

COASTAL ZONE MANAGEMENT--North Carolina's coastal zone management program has been approved and a $1.18 million grant awarded to put it into effect. North Carolina becomes the first Southern state to receive Federal approval for its coastal program. The grant is from Commerce's National Oceanic and Atmospheric Administration (NOAA), which recently approved coastal management programs for Michigan and Wisconsin. NOAA suspended part of its financial support for the Illinois program due to lack of implementing legislation.

OFFENSIVE ALGAE--A $1,300,000 sea grant from Commerce's National Oceanic and Atmospheric Administration (NOAA) will help researchers at the Massachusetts Institute of Technology study ways to cope with algae that smells like rotten eggs and threatens recreational use of beaches. The scientists are hoping to find a better solution than hauling the algae away. Another project will involve the study of "Red Tides," a harmful microscopic plant.

MORE NEW HOUSES--Privately owned housing units were completed in July at a seasonally adjusted annual rate of 1,924,000, according to Census Bureau-HUD figures. This rate is slightly higher than the revised June rate of 1,898,000 and 15 percent above July, 1977. Sales of new one-family houses in July were at a seasonally adjusted annual rate of 804,000, three percent above the revised June rate and 11 percent above July, 1977.

HOUSING IMPROVEMENT--Expenditures for upkeep and improvement of residential properties in the second 1978 quarter were estimated at $10.7 billion, the Census Bureau reported. Of this, 71 percent was spent by resident owners of properties with one to four housing units. Owner occupants of single unit properties spent $5 billion for additions, alterations and major replacements.

ANSWERS FROM SPACE--Two complex instruments carried into space with the launching of the Nimbus-G satellite promise to provide scientists with the answers to two highly important questions: How polluted are the oceans? And, is the earth warming or cooling? One instrument is the Coastal Zone Color Scanner, the other measures a variety of sun-earth heat radiation exchanges. They are vital to studies conducted by Commerce's National Oceanic and Atmospheric Administration.

SUNSPOT INTERFERENCE--CB radio operators in non-metropolitan areas may expect reduced operational ranges about eight hours a day for up to eight months a year during the peak of the sunspot cycle, explains Leslie A. Berry, a scientist with Commerce's National Telecommunications and Information Administration (NTIA). Sunspots, he says, occur in 11-year cycles. The next peak should occur in about two years. The effects on CB should last about three years.

FEDERAL PROCUREMENT CONFERENCE—The Illinois business community is invited to meet with procurement specialists from Federal military and civilian agencies and Federal prime contractors for procurement counseling on Oct. 20 at the Conrad Hilton Hotel in Chicago. Marilyn D. Clancy of the office of sponsoring Sen. Adlai E. Stevenson has registration details on 312-353-5420.

Businesses Raise Sights Slightly On 1978 Plant, Equipment Outlays

This article was prepared by Chief Economist Courtenay Slater in collaboration with staff economist G. Donald Hanrahan.

DR. SLATER

Businesses have made another slight upward adjustment in their projections of 1978 plant and equipment spending. According to the latest Commerce Department survey, taken in late July and August, firms expect to increase their outlays by 12.3 percent this year. In a similar survey in April and May, a rise of 11.2 percent had been projected; in the January-February survey, an increase of only 10.9 percent had been forecast. Actual plant and equipment spending in 1977 was 12.7 percent above that in 1976.

The latest survey indicates that business actually spent at an annual rate of about $1.9 billion more for fixed capital in the second quarter of this year than had been forecast. Upward revisions of anticipated spending of $1.3 billion at an annual rate for the third quarter and about $2.1 billion for the fourth quarter also were reported, bringing expected plant and equipment outlays for the year to $152.5 billion.

It is not clear to what extent the upward revisions in investment plans indicate higher intended real investment and to what extent they represent adjustments to take account of higher estimates of capital goods prices. Information regarding anticipated price changes is requested from the reporting firms only in the final survey of each year. In fact, the rate of increase in capital goods prices decelerated somewhat from an annual rate of 8.7 percent in the second half of 1977 to 7.3 percent the first half of this year. If we assume that the rate of price increase in 1978's first half will continue, the 12.3 percent increase in current-dollar expenditures for plant and equipment projected for 1978 would imply about a 5 percent increase in real terms. Last year's real gain was more than 6 percent.

The latest investment report shows that manufacturers of durable goods expect to increase their investment spending by 14.0 percent in contrast to 17.3 percent last year (table below). Manufacturers of nondurable goods plan an increase of 12.2 percent, virtually the same as last year's gain. Nonmanufacturing industries project that their outlays for fixed capital will be up 11.7 percent over 1977, a rise slightly greater than recorded the previous year. The somewhat accelerated investment planned by the nonmanufacturing sector is concentrated, however, among railroads and airlines.

Despite the upward revisions of investment spending plans for 1978 as a whole, the quarterly breakdown of outlays continues to indicate slower investment growth in the second half of the year than in the first. According to the latest survey, plant and equipment spending would grow at an 11.2 percent annual rate in the latter half of the year, compared to a high rate of 19.2 percent in the first half. The slower projected rise in the second half does not necessarily mean a significant break in the strength of investment growth after this recent upturn. Wide variations in its growth have been recorded throughout the economic recovery. In fact, a similar pattern of deceleration occurred in the second half of 1977, when outlays grew at an annual rate of only 5.8 percent, after a 14.9 percent increase in the first half.

A review of the forces which influence investment, such as capacity utilization, economic growth, business profits and credit availability, provides reasons to expect continuing investment growth. Although new orders for capital goods have shown some leveling recently, the large backlog of unfilled capital goods orders and the rapid rise in contracts for nonresidential construction indicate considerable strength in the near-term outlook for investment spending. The production index for business equipment increased at an annual rate of 14.3 percent from May to August.

Business Plant, Equipment Expenditures

Billions of current dollars

	Planned 1978	Percent change 1977 to 1978	Percent change 1976 to 1977
All industries	152.50	12.3	12.7
Manufacturing	68.01	13.1	14.6
Durable goods	31.66	14.0	17.3
Nondurable goods	36.35	12.2	12.4
Nonmanufacturing	84.49	11.7	11.2
Mining	4.76	5.8	12.4
Railroad	3.27	16.7	11.4
Air transportation	2.41	49.1	24.3
Other transportation	2.32	—7.6	—30.9
Public utilities	28.95	12.2	15.8
Communication	17.71	14.6	16.2
Commercial and other	25.07	9.2	9.4

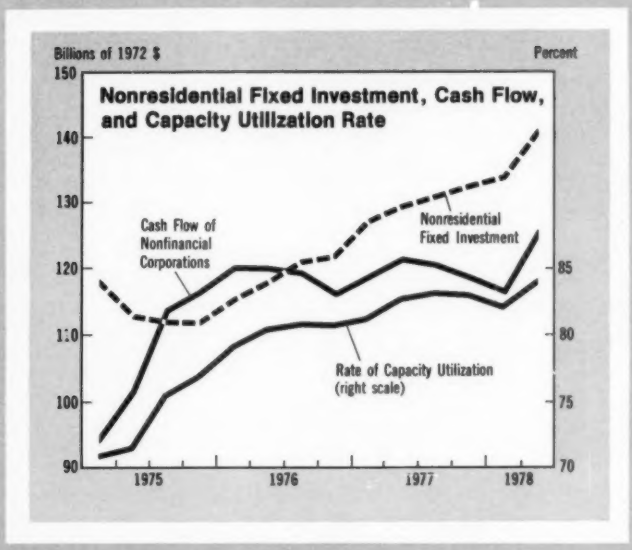
Before-Tax Operating Profits As % Of Gross Capital Stock For Nonfinancial Corporations

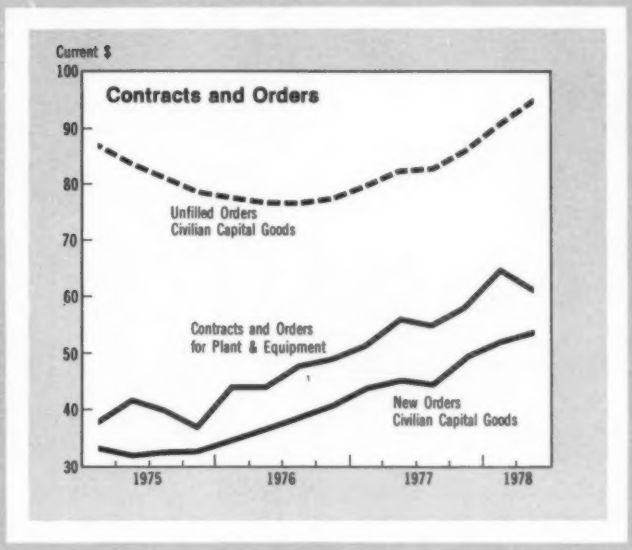
Year	Capital stock valued in current prices	Capital stock valued at historical cost
1973	6.0	8.7
1974	4.0	6.3
1975	4.5	7.5
1976	5.5	9.2
1977	5.6	9.5

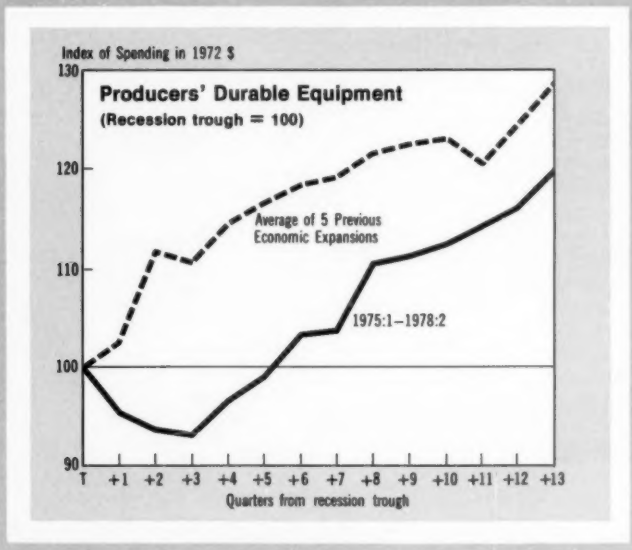
Source: U.S. Department of Commerce

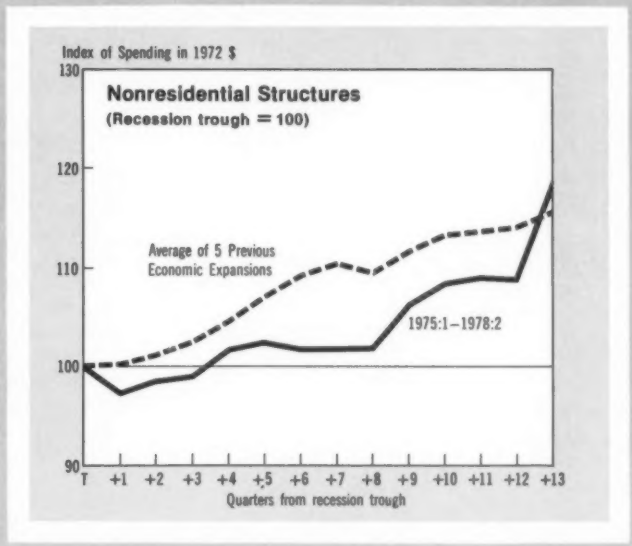
Investment growth erratic

The halting growth of investment has been something of a puzzle throughout the three-year recovery period since the spring of 1975. Even with performance that exceeded expectations in the second quarter









of 1978, the rate of nonresidential fixed investment in real terms (i.e., corrected for inflation) was less than 5 percent above its prerecession peak in the first quarter of 1974. Until recently, business construction spending has been weaker than outlays on producers' durable equipment. Even with strong recent growth, which brought real investment in new structures in the second quarter of 1978 to 11 percent above the year-earlier level, this component of investment remained 4 percent below its prerecession high recorded in 1973. By comparison, real second-quarter outlays for producers' durable equipment were 11 percent above their prerecession peak reached in the second quarter of 1974.

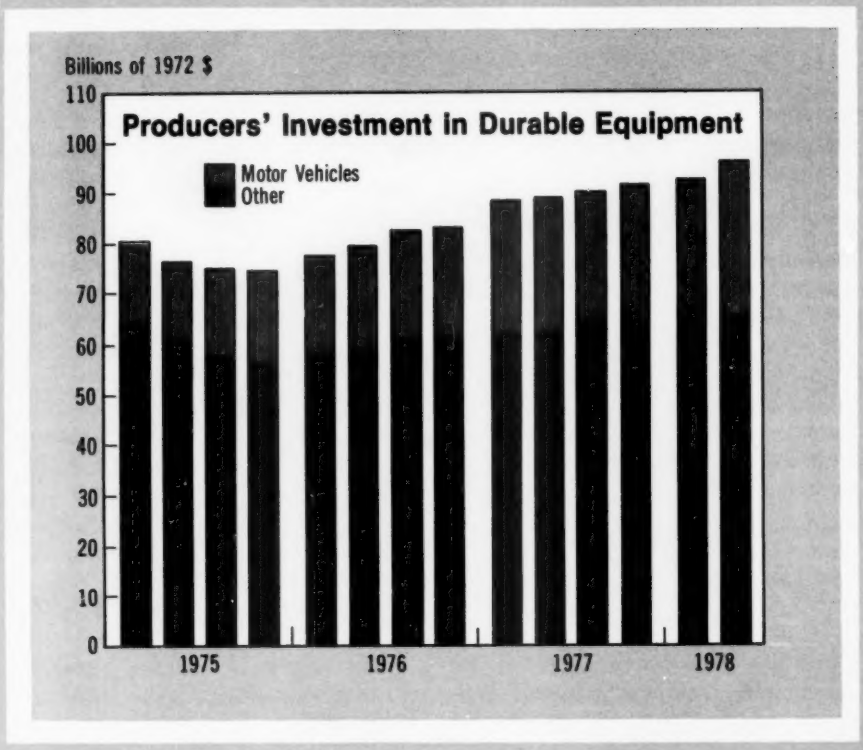
Expenditures and spending plans for business equipment and for structures do not necessarily move at the same pace nor track each other at their upturns and downturns. Before the 1975 recession, for example, spending for equipment reached its peak three quarters after construction outlays. Then, as shown in the accompanying charts, business construction reached its recession low point one quarter after GNP touched bottom, but producers' durable equipment continued downward for another two quarters.

Thus, construction outlays turned around more quickly but recovered more gradually than equipment spending in the present recovery. As accompanying charts indicate, equipment spending until recently has lagged five or more quarters behind its average performance after the GNP trough in five previous recoveries. By comparison, the construction component lagged by only three quarters at first but reached a plateau in 1976, while equipment spending continued to grow.

The rise in equipment investment throughout the recovery has been largely traceable to outlays for business motor vehicles. The vehicles share of real equipment investment increased from 19 percent at the bottom of the recession in 1975 to nearly 32 percent in the second quarter of this year. The strong upward trend of this component has been a source of strength to the economy during a period in which business investment in other types of equipment has grown only at a very slow pace.

Profits, cash flow soar, then slow

Looking at the past three years, the recovery of plant capacity utilization and



corporate cash flow at first went far ahead of the recovery of fixed investment but then slowed markedly. The utilization of the economy's capacity, as measured by the Federal Reserve Board, advanced by over 8 percentage points in the first year of the recovery. After that, the growth of capacity more nearly kept pace with the growth of output so that the capacity utilization rate rose only slowly, from 79 percent in the first quarter of 1976 to 84 percent in the second quarter of 1978. A further increase has occurred in the last two months, bringing the rate to almost 85 percent in August.

Internal cash flow of non-financial corporations — depreciation allowances plus earnings retained after payment of dividends—has risen far more rapidly than business fixed investment since 1975. This statistic is an indicator of firms' capacity to finance investment without incurring new debt. Of the 63 percent increase in cash flow from the first quarter of 1975 to the second quarter of this year, however, more than half was attained in the first year of the period. In the second year, cash flow increased by only 3 percent; in the most recent year, it gained 6 percent. This deceleration of growth was traceable mainly to slower growth of profits and the faster rise in dividends.

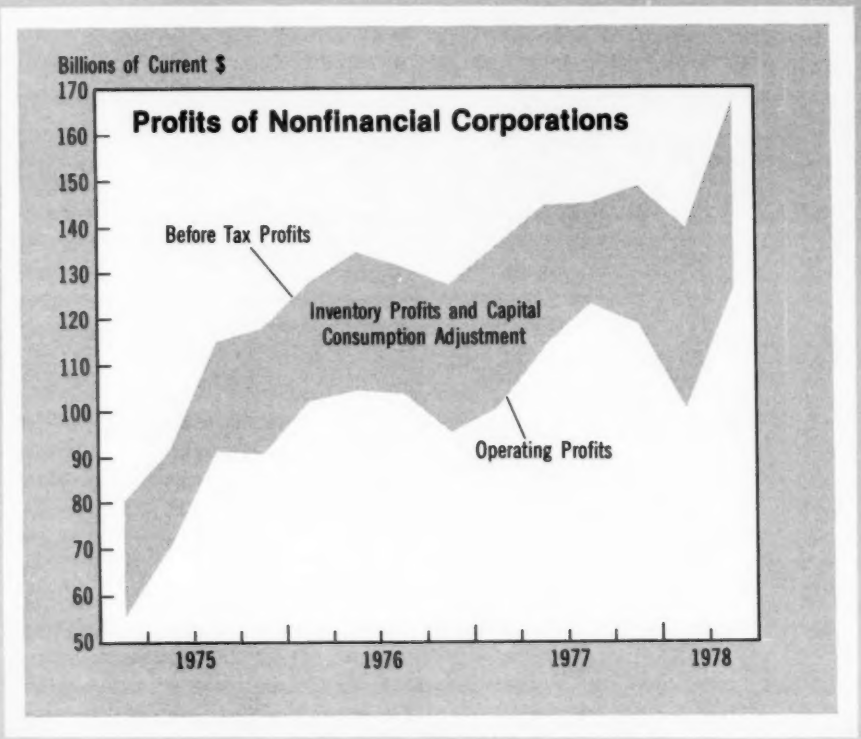
The increase in cash flow of course has been much less when corrected for inflation. After allowing for changes in the prices of capital goods, the 63 percent rise in nominal cash flow becomes only a 33 percent increase in real purchasing power. The purchasing power of corporate cash flow, in fact, declined by over 3 percent from the first quarter of 1976 through the same period of 1978. With the strong profit rebound in the second quarter of this year, however, the constant-dollar cash flow of nonfinancial corporations was up by almost 8 percent over the first quarter.

As the growth of their cash flow has slowed, corporations have found themselves in need of more external financing to carry out their investment projects. This has been achieved largely through increases in bank financing and mortgage credit. Fortunately, credit has been readily available, but interest rates have been rising.

The development of corporate profits has resembled that of cash flow, rising very sharply through early 1976 but advancing much more haltingly with intermittent declines since that time. Nonetheless, the rate of return on capital as measured by operating profits (i.e., excluding inventory valuation changes and restating depreciation on a replacement cost basis) returned in 1976 and 1977 to close to its 1973 peak.

The somewhat disappointing investment performance of the past three years has been attributed by many to the uncertainties faced by firms regarding energy prices and supplies, government regulation, and future inflation and interest rates.

The fact that only in the last several months has capacity utilization begun to approach high levels in many sectors also is an important explanatory factor.



U.S.-HUNGARY AGREEMENT ENHANCES TRADE CLIMATE

The climate for commercial relationships between the United States and Hungary is more favorable than it has been for three decades, the U.S. Embassy in Budapest reports.

Trade prospects improved significantly in early 1978 with the signing of a trade agreement between the two countries which provides for the mutual extension of Most-Favored-Nation tariff treatment. The Hungarian Government now is encouraging increased trade and industrial cooperation with the United States. With patience and careful development, U.S. firms can find interesting trade possibilities with Hungary.

The Hungarian Government has strongly reconfirmed its commitment to modernize and restructure the economy. With a stable labor force, the leadership recognizes that growth must come from increased efficiency and specialization and growing trade with the industrialized West and the Third World as well as Hungary's partners in the Council for Mutual Economic Assistance (CMEA).

Hungary enjoyed strong economic growth in 1977. Agricultural recovery from the poor 1976 crop year and growing industrial output brought the economy back to the growth path envisaged by the 1976-80 Five-Year Plan, but the strong domestic performance was marred by a growing deficit in convertible-currency trade. Convertible-currency imports grew sharply, spurred by Five-Year Plan investments and higher prices for some important imports. Export growth was slower, due to unfavorable external conditions, slow growth in export prices, the high level of domestic demand, and the continuing lack of competitiveness of many Hungarian products on world markets.

Among the Eastern European communist states, Hungary ranks statistically behind the German Democratic Republic and Czechoslovakia in per capita income. Under economic reform measures introduced officially in 1968, however, enterprise initiative and flexibility are encouraged and the quality of life and relative availability of consumer goods have improved greatly.

Although Hungary has a poor raw materials base, the leadership has recognized the country's historical strength as an agricultural supplier and has provided capital and encouragement to develop this sector. But internal inefficiencies endemic to centrally-planned economies persist, and much of the capital plant and equipment is outdated. Hungary has a chronic labor shortage, so that economic progress must come almost entirely from increased labor productivity. In the recent past Western economic uncertainties and deteriorating terms of trade with both the West and the Soviet Union (principal supplier of most raw materials) have caused serious difficulties.

Despite a healthy export increase of 16 percent, Hungary's hard currency imports increased even faster, resulting in a trade deficit of $567 million. Imports were spurred by a high level of domestic demand, particularly for investment goods, while slow growth in the developed West hampered export expansion. Terms of trade with the West deteriorated by about 4 percent. The Federal Republic of Germany strengthened its position as Hungary's primary Western trading partner, and ran a substantial trade surplus with Hungary. Hungary's largest bilateral deficit ($186 million) was with Brazil, a major supplier of soybean products, coffee and cacao.

The trade deficit widened further in the early months of 1978. The Hungarian Government has reemphasized its commitment to the development of export-competitive industries, and has refrained from any measures restricting imports, since import restrictions would quickly impact on development programs or the standard of living.

U.S.-Hungarian trade in 1977 followed traditional patterns, with over half of U.S. exports of $79.7 million consisting of agricultural products and fertilizers and the rest consisting of a wide variety of machinery and chemicals. Direct sales of soybean products, the largest export item, were down to $12.3 million, although there were substantial sales through third-country dealers which escape U.S. trade statistics. Superphosphate fertilizers, corn (an unusual item because of the poor 1976 Hungarian crop), and cattle hides were other major items. Canned hams and bacon made up almost half of Hungary's $46.6 million in exports to the United States.

Hungary in 1977 offered a small but growing market for a variety of Western products, especially the machinery and other manufactured goods necessary for Hungary's ambitious program of economic modernization. The government is committed to a further development of commercial ties with all nations regardless of political system. Although economic growth will not be sustained at the high 1977 rate, it should remain respectable. The level of the trade deficit needs to be watched, but so far Hungary has maintained an excellent financial reputation and has been able to borrow necessary funds abroad while seeking to improve its trade balance through export growth.

Hungarian firms, with the encouragement of the government, are taking advantage of the new Most-Favored-Nation tariff status by increasing participation in trade fairs and other promotional activities in the United States, while American products—capital goods in particular—are now much more competitive in Hungary. Bilateral trade should increase significant-

SIGNING TRADE AGREEMENT *are U.S. Ambassador to Hungary Philip M. Kaiser (left) and Hungarian Foreign Trade Minister Jozsef Biro. Under the compact, signed in March, the two countries provide mutual Most-Favored-Nation treatment.*

ly as the effects of the trade agreement are felt.

In 1978, agricultural and high-technology items will continue to account for the bulk of U.S. exports to Hungary. Relative to previous years, the percentage of machinery items in total U.S. exports should increase. Items with good sales potential include machinery for the production of telecommunications equipment, integrated circuit production technology, computers, selected agricultural equipment, food processing equipment, pesticides, herbicides, precision equipment for the application of agricultural chemicals, pharmaceuticals, petrochemicals production technology, and pollution control equipment.

Significant bilateral trade in items such as computers or integrated circuit technology, is often affected by export control restrictions. U.S. manufacturers of this equipment should consult with the U.S. Department of Commerce for information on export licensing requirements. Hungary welcomes proposals for cooperation arrangements with Western firms manufacturing the above equipment.

New-to-market firms should expect delays in having their products and companies accepted. Hungarians prefer to deal with familiar firms and faces. U.S. companies should be prepared to explore new ways of doing business beyond traditional buying and selling, barter, and single-shot commission work. As defined by Hungarians, cooperation includes (but is not limited to): long-term contracts for commission work; joint manufacture of parts or products; joint sales in third markets; joint research and development; and the provision by one partner of machinery, technology and know-how, in return for production and raw material inputs. The one essential element is collaboration for a long period of time.

Hungary recently modified its joint venture law to permit majority ownership by the foreign partner in the servicing and financial fields and to allow joint venture companies to actually enter into production in Hungary. While at the present time there are only a handful of joint ventures, it is evident that this form of business is welcomed by Hungarian authorities if it meets a particular need.

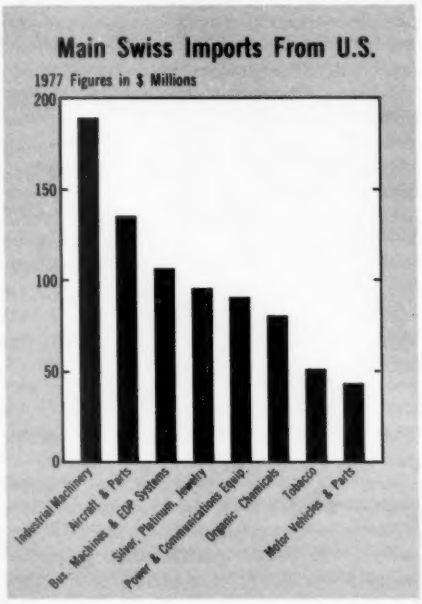
There have been several signs that Hungary is interested in increasing its economic and commercial cooperation with the West in general and the United States in particular. Among these are the payment by Hungary in late 1976 of all debt arrearages due the U.S. Government (thus removing the Johnson Act restrictions against Hungarian borrowing in American capital markets), modification of the joint venture law, a new decree concerning bank representative offices, and a systematic marketing drive by Hungarian commercial authorities in various cities throughout the United States.

SWISS ECONOMIC RELIEF PROVES ONLY TEMPORARY

After the deep recession of 1975 and relative stagnation of 1976, the Swiss economy substantially improved in 1977 with 4.3 percent real growth in GNP to $63.7 billion. The upswing may have been only temporary, however, because an expected weakening in foreign demand for Swiss exports has clouded economic growth prospects for coming months. Early official estimates forecasted GNP to grow by 1.5 percent in 1978. The U.S. Embassy in Bern is more optimistic, predicting real growth in the 2 to 3 percent range.

The performance of the most important export industries—chemicals, watches, metals and machines—has varied considerably. Sales and production of machinery increased 3.6 percent in 1977 but new orders remained at the level of 1975, some 10 percent below the peak year of 1974. Performance also varied according to branch. Exports of aluminum and other metals, electrical machinery, precision tools and instruments registered the most growth in 1977, but exports in 1978 have leveled off. Chemical exports rose 5.7 percent in 1977 but production declined from 1976; exports so far this year have shown little growth, with the exception of cosmetics.

After 2 years of declining exports, the watch industry showed surprising improvement last year due to a more than 40 percent increase in the production of electronic watches. Watch production rose 6.4 percent in 1977; exports were up 10 percent last year and 7 percent so far in 1978, particularly for the higher-priced categories. The textile and clothing industries have faced increasing difficulties following good performance in early 1977; most branches had good exports last year but sales and production registered an abrupt decline in early 1978. Many of the larger Swiss firms are increasing their foreign investments, especially in production facilities abroad.



Most firms reported modest profits in 1977; the larger firms did even better. Nominal 1977 private consumption grew 4 percent, chiefly due to delayed purchases of consumer durable goods. New car sales rose 20 percent and sales of business machines increased substantially. Industries producing primarily for the domestic market experienced increasing competition from lower priced imports, causing output to decline. Consumption has grown at a slightly lower rate in 1978.

Industry as a whole is operating at about 80 percent of capacity, though most unused capacity is considered obsolescent. Most firms are concentrating on research and development of innovative products and restructuring to improve competitiveness. Fixed capital investment rose 5.8 percent in 1977 to $12.9 billion. Restructuring and rationalization plans in industry caused new equipment purchases to increase 8.2 percent; capital goods imports rose 21.2 percent last year. In 1978 new equipment purchases may rise 6.6 percent.

Swiss imports from the United States rose by 14.6 percent in 1977, chiefly in industrial equipment and business machines, while Swiss exports to the United States increased 9.8 percent, primarily industrial machinery, precious stones and jewelry. The U.S. gain in sales to Switzerland lagged behind gains of other nations, causing the U.S. share of Swiss imports to decline from 6.8 percent in 1976 to 6.7 percent in 1977.

The recent marked appreciation of the Swiss franc relative to the U.S. dollar has placed many U.S. products in a competitive position thereby enabling U.S. producers to make inroads in areas where sales were previously limited due to established marketing patterns which favored other sources. Suppliers of American consumer products are particularly urged to give special attention to the Swiss market at this time.

Tourist and business travel to the United States has become increasingly reasonable in cost to the Swiss; and American hotel and travel institutions would do well to direct increased publicity to the Swiss market.

Other product areas considered to be especially opportune for American suppliers are computers and peripheral equipment; microprocessors; laboratory and scientific instruments; process controls; biomedical equipment; pollution control equipment; business equipment; energy systems; and industrial and commercial security equipment.

The Swiss market is competitive and demanding. The successful American exporters are those who are careful in estab-

lishing agent/distributor relationships and who provide for technical support, marketing assistance, and prompt after-sales service and spare parts.

A liberal government policy toward private foreign investment is a tradition in Switzerland. Swiss industry is increasingly interested in licensing and joint-venture arrangements with U.S. firms in sectors using advanced technology.

NO EASY REMEDIES SEEN FOR YUGOSLAV PROBLEMS

Since late 1976, Yugoslavia has followed expansive fiscal and monetary policies and has relaxed import controls in order to meet medium-term development goals, to remedy a cyclical industrial recession, and to slow rising unemployment. Employment and output have responded dynamically, but at the cost of a record balance-of-payments deficit in 1977 that is continuing this year. No easy remedies are in sight, according to the U.S. Embassy in Belgrade.

Selective measures to reduce unemployment and to improve efficiency and export competitiveness are being implemented slowly and with uncertain effects. Yugoslav hard-currency earnings are limited by sluggish growth in exports to the developed West, Yugoslavia's principal market, and stagnation in net invisible earnings. Another recession could result if import restrictions are tightened. Unless they are, however, the Yugoslav trade deficit will probably continue at an unacceptably high level. While the resultant deficit was easily covered last year by borrowing abroad, this may prove more difficult in the future.

For the full year 1978, the Yugoslav authorities have projected a current-account deficit (about $1.2 billion) and inflation rate less than last year's. They also forecast, however, continued rapid growth of social product (6-7 percent) and fixed investment (8 percent) and a greatly reduced rise in unemployment. Yugoslavia probably can attain its growth goals or its stability goals, but not both.

Belgrade is accordingly faced with a choice between increased import restrictions, with the accompanying risk of reduced economic growth, or a balance-of-payments deficit close to last year's. The large deficit to date will be difficult to decrease significantly in the remaining months. Economic growth must accelerate further if 1976-80 goals are to be attained; investment in steel, farming and tourism is behind schedule. While invisible account inflow should grow, so will outflows (e.g., for increasing Yugoslav vacationing and consumer spending abroad).

Yugoslav exports might conceivably receive some extra stimulus from the EEC, should it lower import restrictions (e.g., on baby beef), as part of current renegotiation of the five-year trade agreement expiring in August. Such relief probably would make little impact this year, however.

Export sales by U.S. suppliers of capital goods in priority sectors probably can be further increased. U.S. technology continues to enjoy the respect of Yugoslav business. The United States is Yugoslavia's fourth largest trading partner. In 1977, exports to Yugoslavia were $545 million, 48 percent greater than in 1976; U.S. imports amounted to $297 million, a 16 percent increase. (U.S. statistics show exports of $355 million and imports of $336 million.)

U.S. suppliers are being increasingly favored in Belgrade's policy because of its assessment that protectionism in Western Europe is rising and the U.S. economy is more open. The recent U.S.-Yugoslav Economic Council meeting in Dubrovnik had increased high-level attendance. The Yugoslav Government recently signed a new agreement with the U.S. Export-Import Bank on operating procedures in Yugoslavia. New bilateral governmental economic/commercial working groups have been established and are to convene semi-annually.

Yugoslav measures to control imports include tariffs, quotas by value or quantity on certain imported goods, import licenses, and hard-currency controls. The large trade deficits of the past 18 months have led to some tightening of unpublished countertrade requirements of about 30 percent for some capital goods and more for consumer goods. Products in priority development sectors, companies willing to engage in countertrade, and those able to offer suitable financing are more likely to find success in the Yugoslav market.

Since 1967, when foreign investment in Yugoslavia was legalized, about $323 million has been invested by foreign companies in 200 joint ventures with Yugoslav enterprises. Nineteen U.S. firms have provided $156 million. Of this, $103 million—the largest U.S. investment in Eastern Europe to date—has been committed by the Dow Chemical Co. to construct a large petrochemical complex on the island of Krk.

New Yugoslav legislation last April increased the industries open to foreign investment and eased restrictions on deliveries of nonfinancial assets by the foreign partner. The new provisions, however, also limit his decision-making powers in the venture, his income from it, his ability to repatriate profits and capital in hard-currency and dinars, and his control over the markets to which the joint venture may export. The maximum foreign contribution to joint ventures remains 49 percent.

Prospects are best for U.S. suppliers in the following areas.

Metal-Treating and Finishing Equipment: This category of equipment, which is not produced in Yugoslavia, promises to remain a major area for U.S. sales of technology in Yugoslavia. West Germany, principal supplier for some years, accounted for 28 percent of the $125 million Yugoslav market in 1976, when depreciation of the dollar contributed to a jump in the U.S. share to second place (25 percent). Yugoslav imports are expected to reach $200 million by 1980 according to the current five-year plan, which projects production capacity increases of about 40 percent for steel and pig iron and 75 percent for coke. Yugoslav demand for foreign nonferrous-metal processing equipment will probably also grow rapidly.

Competition will remain keen from other major foreign suppliers, possibly including the USSR, which offers favorable credit terms and clearing-account settlement. Rolling-mill equipment led the U.S. surge of 1976 and, together with tube-mill and casting-plant machinery, is considered the best sales prospect. Trailing close behind are non-electrical industrial melting and refining furnaces. A technical sales seminar featuring such equipment (for nonferrous as well as ferrous metallurgy) would be a very good promotional vehicle. Next best would be a trade mission with soft-sell approach. The annual May trade fair in Belgrade is useful for firms that intend to exhibit.

Machine Tools: Based on the quality of U.S. machine tools and their price competitiveness after recent dollar depreciation, U.S. suppliers could raise their market share from 8 percent in 1976 to at least 25 percent in the early 1980's. Machine tools currently represent a $110 million Yugoslav import market. Yugoslav domestic production, geared largely to exports and traditional machine-tool fields, probably will be unable to expand rapidly enough to meet soaring demand. The Yugoslav Five-Year Plan gives high priority to industries, e.g., ship-building, ferrous and nonferrous metallurgy, agricultural, food processing, and electric power equipment which require heavy outlays in machine tools to expand.

U.S. suppliers in recent years have caught up with the USSR and France and may reduce West Germany's huge lead (41 percent of the market) in the future. Best U.S. sales prospects currently are for machining centers, transfer lines, internal diameter grinders, numerically-controlled machine tools, and special machine tools. Technology for production of simpler machine tools not currently manufactured in Yugoslavia is also salable. Useful promotion vehicles are Belgrade Technical Fairs held each May, Zagreb fairs held in April and September, and—for small-scale promotion—technical sales seminars.

Excavating and Mining Equipment: U.S.

THE ZAGREB FAIR *is an excellent promotional vehicle for a number of the product categories mentioned in the accompanying article. Picture was taken at last fall's edition of the semi-annual event; the next one is scheduled for Nov. 3-12.*

products in this field have long been highly regarded in Yugoslavia and, having recently achieved price competitiveness, should receive increased attention from firms exporting to Yugoslavia. This market will have to grow rapidly to meet the requirements of the Yugoslav development plan.

During 1976-80, production is scheduled to rise 65 percent for bauxite, and 85 percent for other nonferrous ores and iron ore. Large lignite fields are scheduled to be developed in Kosovo by Kombinat Kosovo in Obilic and at Tamnava in Serbia by Kolubara REIK in Vreoci. Domestic production, which provided only 20 percent of such requirements in 1975, probably will not fill the gap.

Among foreign suppliers, the Federal Republic of Germany supplied 27 percent of this market in 1976 and the USSR (19 percent) took over second place from the United States (14 percent).

Probably the best promotional vehicle for U.S. equipment is the biennial Zagreb mining fair, scheduled to be held next in April 1980.

Plastics and Chemical Equipment: By 1980 Yugoslavia is expected to order about $1 billion of foreign equipment for production of plastics and chemicals. Most machinery of this type is imported. The aim of the new program is to restructure the chemical industry, now concentrated on plastics and chemical processing. INA-Petrohemija is building a large petrochemical complex at Kutina; other major projects include synthetic rubber plants at Zagreb (managed by Chromos-Katran-Kutrilin) and at Zrenjanin and a nitric acid plant that is to be built by Zorka at Subotica.

Italy and West Germany have been Yugoslavia's principal suppliers, each exceeding 20 percent of the market in 1976. The United States held only 4 percent. However, U.S. firms that have modern technology, engineering capabilities, and/or good equipment can expect to capture sizable orders, provided that they have sound financial backing and are ready to bid on projects in cooperation with local equipment manufacturers.

Suitable vehicles for promotion are the Plasteks exhibition in Zagreb in April 1979 (for a wide range of chemical equipment) and a solo exhibition sponsored by the Department of Commerce at the Belgrade Technical Fair each May.

Textile Machinery. U.S. textile equipment has considerable export potential in Yugoslavia. The Yugoslav textile industry is a major exporter and one of the largest Yugoslav buyers of foreign equipment. The U.S. share of Yugoslav textile machinery imports jumped to 17 percent in 1976. Although this was still less than half of leading West Germany's share, U.S. textile technology has the advantage of being geared to the U.S. textile market, an important Yugoslav export target. U.S. sales have been concentrated in spinning and drawing frames, fiber-yarn machines, and cotton-gin mills. Prospects are especially good for synthetic textile machinery.

Equipment should be promoted at the Leskovac textile machinery fair in May or June or at the Zagreb fair held every spring.

Electronic, Laboratory, Scientific, and Engineering Instruments: With negligible indigenous production, Yugoslav imports of instruments exceed $40 million yearly and are certain to grow. West Germany supplied 31 percent of this market in 1976.

However, U.S. firms have been improving their position, providing 21 percent, and should be able to capture about 50 percent with additional, more targeted promotion efforts. The United States has a significant technological lead in instrumentation and Yugoslav scientists and engineers have become increasingly oriented toward American trade journals in order to keep up with space technology and the latest scientific breakthroughs. Moreover, U.S. firms have recently established stocks and service facilities in Europe.

Suitable promotion vehicles in Yugoslavia are the Modern Electronics Show in Ljubljana each October, the General Technical Fair in Belgrade each May and JUREMA exhibitions held biennially in Zagreb and next scheduled to be held in April 1979.

Electric Power Equipment (except boilers): The Yugoslav market is in the winner-take-all stage in the thermoelectric field. The Yugoslav authorities want to settle on one good 600-megawatt power unit for large thermal power projects, e.g., of 4,200 MW at Olilic, 2,400 MW at Tamnava. New hydropower plants—Iron Gates III on the Danube (2,400 MW) and Kolubara (1,000 MW)— are also in preliminary planning stages. Imported equipment approximated $150 million in 1976—half the value of domestic production—but will increase to at least $750 million annually in the next few years because of the inability of Yugoslav producers to provide large-capacity units.

Supplier competition in price and payment terms is keen. Foreign companies are asked to include some Yugoslav equipment in their projects and to offset at least 30 percent of Yugoslav import costs with countertrade. West European suppliers, led by West Germany and Italy, have met many of these demands, partly through long-term cooperation agreements, and now dominate the market. The U.S. share is only 3 percent, but U.S. technology has an excellent reputation. U.S. firms that can compete in these conditions should have an assured long-term market.

The best promotional vehicles remain a technical sales seminar or a trade mission organized by a consortium of firms with complementary product lines.

Steady Growth, Stability, High Living Standards Attract Business To Luxembourg

The Grand Duchy of Luxembourg is fondly and aptly described in tourist literature as the "Green Heart of Europe." Despite its pastoral scenery, Luxembourg is, in fact, a highly industrialized country, according to the U.S. Embassy there. Luxembourg boasts an open economy, and foreign trade amounts to nearly 80 percent of the gross national product compared to 44 percent in Belgium and 16 percent in France. Many years of continuous economic growth and political stability have given Luxembourg one of the highest standards of living in the European Common Market.

Steel, Luxembourg's dominant industry, suffered severely when the general recession hit the Luxembourg economy in 1975. The steel industry has yet to emerge from its slump and acts as a brake on overall economic recovery in the Grand Duchy. Luxembourg's other industries—primarily U.S. multinationals—have, overall, regained pre-recession production levels, if not earlier profitability. Exceptions are synthetic fiber production and heavy earth-moving equipment, which continues to suffer from depressed demand and low prices in the world market.

From scarcity to surplus

The necessary re-structuring of the European steel industry will require reductions in the steel labor force. Luxembourg traditionally has had to import labor, but now new jobs will have to be found to hold down unemployment. The Luxembourg Government's economic recovery and full employment program contains additional incentives to attract job-generating new industries and to encourage capital investment.

Owing to favorable government policies, Luxembourg has become one of Europe's major financial centers. Banking and related financial activities are the most dynamic sector of the economy. Ninety-four banks are currently operating in Luxembourg, and their total assets now exceed US$58 billion, of which 85 percent is in foreign currencies.

In 1977, the Luxembourg economy grew at a disappointing 1.3 percent, below its normal performance, but nevertheless a recovery from 1975's negative growth. A slight improvement is foreseen for 1978 with an expected growth rate of about 2 percent. Inflation continues to decline from the 1975 peak of 10.7 percent to 6.7 percent in 1977 and to an expected inflation rate of 5.4 percent in 1978.

Luxembourg remains a prosperous country with a steady appetite for quality products. Virtually all consumer goods are imported, offering attractive opportunities in this field. U.S.-owned manufacturing plants in Luxembourg generate a continuous demand for American supplies. The accelerated investment program of the steel industry presents possibilities for U.S. equipment and technology.

Although lost gross national product from the recession will probably not be recouped before the early 1980's, there should be some improvement in the economic situation in 1978. The first quarter of 1978 registered a significant 12 percent increase in steel production due largely to the success of the Common Market's steel measures (Davignon Plan) which have raised prices for steel products and stabilized market shares. Although other industrial production continues to stagnate (+0.6 percent), the investment picture is bright. The construction industry has registered a 3.1 percent gain during the January-April period over the same period a year ago. The banking sector has continued to grow in early 1978, its assets increasing 3.3 percent since the end of December 1977. The rate of growth of consumer spending is unlikely to increase significantly owing to a reduction in disposable income and an expected tightening of consumer credit. Thus inflation should continue to fall, to 5.4 percent in 1978. The growth rate for the Luxembourg economy is expected to reach 2 percent in 1978.

The structural adjustments facing the Luxembourg economy and labor force, as well as the possibility of stagnation in the standard of living, present an enormous challenge to the government. A tripartite conference of government, employers, and labor union representatives, initiated in April 1977, has produced a three-year action plan for economic stimulus and full employment. Principal measures include the creation of a National Society for Credit and Investment (SNCI), an immediate increase in tax credits on incremental investment, bans on overtime and on further immigration of foreign workers from outside the Common Market, and special labor union and government cooperation with companies in difficulty.

SNCI, which began operations in January 1978, enables the government to seek new foreign investment more actively and to encourage expansion by established firms by increased incentives, as well as to assist in financing exports. International competition for investment is keen, but Luxembourg's enviable record of labor peace and political stability and its special community spirit should be major assets. The energetic action plan should maximize the chances for the Luxembourg economy, but the key factor is an upswing in its neighbors' economies, particularly West Germany and Belgium.

The Luxembourg Government introduced a program of investment incentives after World War II in an attempt to rebuild and, especially, to diversify the national economy. Major U.S. investments in Luxembourg began in the early 1950's and grew steadily throughout the 1960's and into the early 1970's. American firms are the dominant group in the category described by the Luxembourg Government as "new industries". American investment in Luxembourg is almost entirely in the export-oriented manufacturing sector: chemicals, tires, and metal fabrication. American multinationals with production facilities in Luxembourg include: Goodyear, Dupont, Monsanto, and Uniroyal. Other major U.S. firms are: Yates Industries, Commercial Shearing, Cleveland Crane and Engineering, Dresser Industries, and Amerace Corp. Eight U.S. banks also have operations in Luxembourg. 'General Motors' Terex Division, which began operations in 1971, plans to close its production facilities there in December 1978 due to continued weak demand in world markets for heavy earth-moving equipment.

Major U.S. investment market

U.S. direct investment in Luxembourg has an original value of approximately $375 million and a current market value of more than $570 million. At a per capita level of more than $1000, this is believed to be the highest U.S. direct investment outside of North America. Additional investment of $95 million is projected for 1977-82 by U.S. companies already established there. About 75 percent of this amount is directly attributable to one firm, Goodyear. American manufacturers contribute over 20 percent of total industrial production and employ 7500 workers, approximately 10 percent of industrial employment.

Before the recent recession, the chronic labor shortage limited the scope for new major industries in Luxembourg. With the recognition of structural problems in the steel industry and the need to create new jobs, opportunities again are available for firms seeking to locate in the Common Market. Expansion by existing manufacturers or establishment of new firms is critical for Luxembourg's continued prosperity. The Luxembourg Government welcomes foreign investment and grants various incentives to attract investment, including interest subsidization, loan guarantees, capital subsidies, tax incentives, promotional aids, and the acquisition and preparation of access roads and other infrastructure.

The Luxembourg Government, business community, and labor unions are familiar with American ways and have always welcomed American industry. Catalyst Recovery Inc. of Baltimore has recently announced plans to establish production facilities in Luxembourg in 1979. The Luxembourg Government is actively pursuing negotiations with several other interested U.S. firms.

Progress In Mali Hindered By Resurgence Of Drought After Two Successful Years

After exceptionally good economic years in 1975 and 1976, Mali's performance last year was marred by a resurgence in drought conditions, according to the U.S. Embassy in Bamako. The consequences of this poor weather will continue to be felt in 1978, possibly through lower agricultural output and a lower level of exports. Real economic growth in the west Africa nation is expected to slow considerably in 1978, as output in the primary sector is forecast to decline by nearly 7 percent.

Agriculture, together with livestock raising, accounts for nearly 45 percent of gross domestic product and provides a livelihood for the vast majority of the population, of which 90 percent live in rural areas. There is a clear dichotomy between the traditional type of agriculture, which produces staple food crops, and the modern type geared mainly to the production of the two major export crops, peanuts and cotton. Total agricultural production has fluctuated widely in recent years, but an upswing in agricultural production, particularly in export crops, started in 1975 with the return of favorable weather conditions.

GDP increased at an exceptionally high rate in 1975 and 1976, partially because of the improvement in the agricultural sector and intensified development efforts undertaken by the "Operations." These are agricultural support organizations responsible for implementation of production programs based on improved cultivation techniques, the use of fertilizers, and dissemination of better seed varieties. These programs also provide subsidized imputs, credit, and marketing facilities.

To a great extent, the economic recovery of Mali is due mainly to a sharp increase in agricultural production as both food and export crops expanded to levels exceeding those before the drought of 1969-74. Output of cereals (millet, sorghum, corn and rice) in 1976/77 increased by about 40 percent over 1971/72 production levels. These record crops not only had favorable effects but also underscored such problems as the lack of storage facilities and the shortage of trucks required to reach production areas. This rapid growth has permitted Mali, after a long interval, to revert to its traditional role as a net exporter of cereals in both 1976 and 1977.

In 1977 manufacturing, including handicrafts, accounted for 14 percent of GDP, an increase of 3 percent over 1976. Virtually all large enterprises are owned by the Malian State, with the remaining few having mixed ownership. Most of these state enterprises have encountered severe and protracted financial and managerial difficulties. Privately-owned enterprises do exist, and their number is increasing, but they are either small or medium-size. The present structure of industry is characterized by the dominance of a few large public enterprises, mostly processing local raw materials for domestic and export markets, and by a smaller private sector consisting of a number of small and mainly foreign-owned firms in miscellaneous activities.

Although an index of industrial production is not published in Mali, there are sufficient indications that growth in output of key industries has kept pace with Mali's overall economic recovery in recent years. For example, rice milling expanded by more than 15 percent in both 1976 and 1977. Sugar refining production in 1977 more than tripled to 17,000 metric tons over 1976 production, and the textile industry, Mali's largest industrial employer, reached an output of 16 million square meters in 1977, a 30 percent increase over 1976.

The country is almost entirely dependent on thermal power at present, but hydroelectric resources will play an increasing role by 1982 with completion of the Selingué Dam. This new dam will provide about 45 million additional kilowatt hours, almost doubling the present production of 66 million kwh.

Mining is essentially limited to small-scale extraction of salt, and quarrying. Bauxite, gold, iron, copper, nickel, manganese, phosphate, and uranium deposits of varying quality have been located, but their full exploitation has been limited due to insufficient infrastructure, power and transportation systems. The USSR is assisting in starting a gold mining operation in Kalana, which is expected to produce about 100 kg. in 1978. The Japanese National Uranium Co. is presently undertaking medium-scale exploration for uranium in the northern part of Mali.

The investment climate for U.S. business remains favorable. Ordinance 26 of May 23, 1969, the basic Government of Mali Code of Investments, offers certain incentives, mostly in the form of tax-free privileges for 5 to 10 years, to companies prepared to invest in nine areas of interest to the Government of Mali. For example, food handling and processing industries, veterinary products, metallurgical industries, energy production, construction, and tourism are eligible. Although Mali has abided by its investment code, manufacturers have been and will probably continue to be required to offer the government a percentage ownership (10-15 percent). No problem should develop concerning the use of foreign technical and managerial personnel as long as their numbers are limited and well defined in the initial agreement. This initial agreement is all-important to the new investor in Mali and should cover all possible contingencies, since changing these agreements is difficult after they have been approved by the government. The agreement should specify the wages and salaries of employees as well as the selling prices of the company's products. These will remain subject to government regulations.

BOUND FOR MALI—*A 15-ton truck is swung aboard ship at Port Elizabeth, N.J. as part of a $7.9 million shipment of trucks and machinery for West Africa. The equipment will be used to build roads in the Sahel, an area that comprises one-fifth of Africa along the southern rim of the Sahara. The United Nations project has begun in Mali, Chad and the Gambia. About 60 percent of all equipment purchased so far is from U.S. factories.*

Mali does not prohibit the importation of goods from any specific country; however, inter-governmental agreements make products from the European Common Market area more profitable because of reverse tariff preferences.

There are major hurdles to overcome for any U.S. company deciding to invest in Mali. The company will be required to deal almost exclusively in French and there is a dearth of qualified Malian personnel in management and technical fields. Mali's infrastructure is not well developed; and, finally, service facilities and personnel to keep equipment "on-line" are very limited. Along with those factors, it should be pointed out that the pace of doing business in Mali is notably slower than in the United States.

The two largest, and only significant, U.S. direct investments in Mali at present are Texaco, with $1.1 million in current marketing, and Mobil Oil, with roughly $1 million in marketing activity.

The most promising areas of investment can be found in agro-industry, meat processing, transportation and storage of meat products, and possibly vegetable processing. These fields present opportunities for American technology to be quickly and effectively utilized. Other areas which might offer investment possibilities are food grain processing and storage, mining and related industries, and fresh water fish production.

Worldwide Business Opportunities

International trade specialists in the Department of Commerce and Foreign Service Officers in the U.S. Embassies and Consulates around the world are continually developing specific commercial opportunities through which American companies can find buyers, agents, partners or investors abroad. One of the major means for communicating these opportunities promptly and accurately to the U.S. business community is through the columns of this magazine.

The section that follows presents details about licensing and joint venture proposals, opportunities to sell to foreign enterprises, major construction and expansion projects, and visiting buyers.

Licensing, Investment Abroad

NIGERIA—Holding company desires contact with U.S. firms interested in exporting to or investing in the country. Areas of interest include **construction consultancy, engineering; water treatment; agricultural, hospital, air conditioning, telecommunications equipment; food processing and shipping.** Currently, company is active in building and road construction, clearing and forwarding insurance brokerage service, printing and importation of various products. Has offices in Lagos, Benin City, Kano and Warri. Overseas Porducts & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-78864. OPIC.

0100, 0200, 1500—NIGERIA—Attorney desires contact with U.S. firms interested in **agricultural development, construction or small-scale manufacturing.** Also offers legal services for U.S. firms interested in doing business in the country. Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-78890. OPIC.

0100, 0200, 1600—NIGERIA—Joint venture partners sought for **engineering and construction of power substations, transmission lines, dam and road building and system-housing.** Partners also desired for **agribusiness,** including production of beans, cassava, sugar cane and poultry raising and hog raising. Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-78887. OPIC.

1520, 2200, 6200, 7011—NIGERIA—Firm seeks contact with U.S. firms active in following areas: **building construction, hotel development, textile manufacturing, import and project financing.** Names and addresses will be forwarded to firm. Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-78863. OPIC.

2020—CHILE—Firm seeks license or joint venture arrangement to produce **fresh milk and dairy products.** Established 1973, company has 45 employees and monthly sales of $450,000. Distributes milk and dairy products throughout Chile. Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-78868.

2032—THAILAND—Newly organized corporation of well-placed businessmen and officials of State Railway of Thailand interested in establishing factory to produce **health foods and dietetic products.** Interested in licensing and technical arrangement. Cherd Boonyaratavej, Managing Director, C.B. and Sons Ltd., 78-81 Rama 5 Road, Bangkok. P-78787. OPIC.

2034—TURKEY—Firm seeks technical expertise for improving **preservation of figs.** Company is largest dried fruit packer in country. Alpaslan Basikcioglu, P.O. Box 314, Izmir. Cable: BESIKCI-IZMIR; telex: (ALFA TR). P-78813. OPIC.

2271—EGYPT—Company seeks U.S. firm to install machinery and manage **carpet factory** on turn-key basis. Factory located in Alexandria. Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-78797. OPIC.

2300—SPAIN—Medium-sized manufacturer of **men's and women's overcoats and topcoats, women's dresses and men's swimwear** seeks arrangement with U.S. apparel manufacturer. Interested in production of similar items under well-known U.S. trademark or in associating with U.S. company wanting to penetrate Spanish market by using its facilities in Oviedo. Established in 1958, has 250 employees. Francisco Moro Modriguez, Mgr., Mantova, S.A., Vazquez de Mella s/n, Oviedo. P-78798.

2511, 3100—UNITED KINGDOM—Medium-sized company which manufactures **vehicle bodies, high quality wooden furniture and high quality leather goods** seeks licenses for products compatible with its own range. Firm also operates light engineering workshop. Established in 1918, company has 700 employees and annual sales of $7 million. Victor Perks, Mktng. Mgr., Papworth Industries, Papworth Everard, Cambridge, CB3 8RG, England. P-78782.

2522—TRINIDAD & TOBAGO—Manufacturer of **metal chairs, metal desks, filing cabinets, safes and other office furniture** seeks licenses to increase his present production range. Seeks technical assistance from U.S. licensor. Port of Spain firm enjoys duty free concessions on imports of raw material. Cyril Lee, Mng. Dir., Lee & Lee Ltd., P.O. Box 481, Port of Spain, Trinidad, W.I. P-78819. OPIC.

2819, 2842—GERMANY—Seeks licenses from U.S. chemical manufacturers to manufacture products complementary to its own line which includes **household and industrial disinfectants, cleaning products, water treatment compounds and control equipment for chemicals.** Established 1927, employs 250; has annual sales averaging $20 million. Dr. Achim Pohl, Mgr., Bayrol Chemische Fabrik GmbH, Postfach 700260, 8000 Muenchen 70. P-78826.

2821—GERMANY—Manufacturer of **one component polyurethane foam for sealing, fixing and insulating** any type of material wishes to discuss possible joint venture and/or technical cooperation agreement with U.S. chemical companies. Firm prepared to furnish its know-how and machinery and will consider exchanging chemists for training between two countries. Established in 1921, employs 75 and projects sales of $7.5 million for 1978. Dipl. Ing. Ingo W. Kistner, Durol GmbH KG, Rudolf-Diesel Str. 36-42, D-8990 Lindau; telephone 8382/3041; telex: 54382. WTDR. P-78789.

2833—PORTUGAL—Seeks investor to increase equity and finance expansion of facilities producing **corticosteroids, non-steroids and anabolics.** Firm plans to diversify and begin manufacturing hecogenin. Investment can be in range between $1 million and $2.8 million and can be in capital or machinery and equipment. Established in 1972, company is only corticosteroid manufacturer in Portugal and has developed sophisticated technology and access to largely marketable intermediates and hecogenin. Dr. Fernao Vicente, Mng. Dir., Quatrum—Empresa Nacional de Quimica Organica, SARL, Av. Joao XXI, 10-6ºDto., Lisbon 1; telephone: 72 43 89; telex: 13335 Quatro. P-78795. OPIC.

2834—NIGERIA—Firm wants to import **pharmaceutical preparations** and eventually to manufacture them. Products of interest include antibiotics, tranquilizers, antiacids, medicines for diabetics, etc. Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-78800. OPIC.

3079, 3361, 3369—MALAYSIA—Manufacturer of garden and agricultural tools seeks licensing arrangement with U.S. firm to establish plant to produce **plastic injection molded components and zinc or aluminum die cast components** for both Malaysian and [illegible] markets. American licensor must be prepared to provide technical know-how, tooling equipment, training and marketing assistance. Malaysian firm, which was started in 1975 and employs 35, is joint venture subsidiary of well established Australian and Malaysian companies. C. A. Wade, Gen. Mgr., Besikayu (M) SDN, Berhad, P.O. Box 51, SG. Rengam, Selangor. WTDR. P-78801. OPIC.

3321 — GERMANY — Manufacturer of **all kinds of fittings and flanges, cast iron and other metal fittings** for piping systems seeks licenses to make machinery complementary to its current product line. Firm employs 25, has 5 sales representatives. Sales and finances reported satisfactory. Hans Fach, E. Hawle KG, Gewerbestr. 1, 8229 Ainring 1, Germany. P-78828.

3429—UNITED KINGDOM—Small U.K. company, established in 1925, is interested in licensing agreement to produce such lines as **building "do-it-yourself" items, building and engineering fastenings and fixings.** Employs 150. Martin Wood, Group Mktng. Mgr., Press-Bat Holdings Ltd., Bat House, Halesfield, 9 Telford, Shropshire, England. P-78776.

3433—UNITED KINGDOM—Manufacturer of **liquid phase heating systems, shot-blasting plant, industrial incinerators, process and air heaters,** etc., is interested in licensing arrangement to produce similar equipment. Employs 120. Established in 1954. Current annual sales volume, $4 million. G. M. Priest, Chmn., Beverley Engineering Ltd., Billinghurst, West Sussex, RH14 9SA, England. P-78777.

3443—UNITED KINGDOM—Firm is interested in manufacturing under license in U.K. any product compatible within its current range. Company produces **process plant and tanks and vessels.** Current annual sales of $6.5 million. Established 1961, employs 175. A. J. Cookson, Mng. Dir., Cookson & Zinn, Ltd., Station Road Works, Hadleigh, Ipswich IP7 5PN, England. P-78778.

3452, 3448—SPAIN—Seeks licenses to produce **one-story, mobile prefabricated buildings, and two-story fixed and mobile prefabricated buildings — homes, classrooms, plants and offices.** Also seeks licenses to make **lacquered metal panels** and other types of similar panels for such buildings. Firm currently produces prefab buildings and polyurethane sandwich panels. Established in 1949, has 32 employees. Jose Penafiel del Val, Owner, Comercial Industrial Distribuidora "CINDI," Manuel Allende 26, Bilbao 10. P-78788.

3471—UNITED KINGDOM—Manufacturer of **inspection, handling and finishing equipment for rolled steel plate** in production line of plate rolling mill seeks licensing agreement to produce similar equipment. Employs 160. C. M. Jackman, Mng. Dir., James Lumb (Engineering) Ltd., Dewsbury Road, Elland, West Yorkshire HX5 9AZ, England. P-78781.

3494—BELGIUM—Seeks license to manufacture **low carbon (0,02-0,03) stainless steel valves and fittings used in petrochemical plants and methane (LNG) gas terminals.** Firm specializes in production of cast steel equipment and accessories for cement plants and for dredging, shipbuilding and offshore drilling. Employs 750, annual sales around $14 million. Raoul Wilmart, Mktng. Dir., s.a. Acieries Leonard-Giot-Allard, B-6100 Mont-sur-Marchienne; telephone: (071) 36.21.40; telex: 51245. Copies of firm's brochures available from Overseas Products & Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-78785.

3494—UNITED KINGDOM—Small manufacturer of **pressure relief valves, control valves,** etc. seeks licensing arrangement to produce any product compatible with its current range. Company presently manufacturing safety and relief valves in bronze, pressure range 0-350 p.s.i. up to 3 in. diameter. Reports annual sales volume of $4 million. F. Hayes, Chmn., Gresswell Group of Companies, New Worcester Works. Elkington St., Birmingham B6 4SL, England. P-78774.

3500—UNITED KINGDOM—Small manufacturer of **pallets, pallet systems and storage and materials handling equipment** seeks licenses to make any compatible products. Employs 70, annual sales around $2 million. G. T. N. Atkins Esq. Mng. Dir., Palletower (GB) Ltd., Orbit House, Heyes Lane, Alderley Edge, Cheshire, England. P-78784.

3500—UNITED KINGDOM—Company engaged in manufacture of **agricultural, waste recycling, and environmental equipment, solar energy collectors, windmill electrical generators and pumping units** interested in license to make any products compatible with its current line. Firm has 47 employees; annual sales, about $2 million. J. A. Gordon, J. A. Gordon & Son Ltd., Stonehouse, Glos. GL10 2LH, England. P-78808.

3523—FRANCE—Seeks license to manufacture **irrigation equipment.** Company produces and markets irrigation equipment. Employs 11. Henri P. Grosjean, Gen. Mgr., Societe Francaise Pour Le Developpement De L'Irrigation, R.N. 10, Le Bois-Paris, 28000 Chartres; telex: 781 184F; telephone: (37) 22-63-09. P-78814.

3531—UNITED KINGDOM—Producer and distributor of **pile driving hammers, extractors, earth and rock drilling equipment** seeks licenses to make products compatible to its current line. Firm employs 360, annual sales of $16 million. D. W. Hunnisett, Mktng. Dir., BSP International Foundations Ltd., Claydon Ipswich, Suffolk IP6 0JD, England. P-78827.

3535—UNITED KINGDOM—Small manufacturer and distributor of **stainless steel wire work, stainless steel conveyor belts and plastic dish and glass machine racks** seeks licenses to make related products. Employs 12. K. E. G. Peters, Dir., Adamsveyor Food Services Equipment Co., Ltd., Unit 6, Trinity Trading Est., Sittingbourne, Kent. P-78815.

Important Notice

Most member countries of the League of Arab States employ a secondary boycott against foreign firms which undertake certain specific types of business relationships with the State of Israel. The Commerce Department will not disseminate nor make available for inspection any tenders or trade opportunity documents which contain conditions intended to support such boycotts, or which are based on documents known to contain such provisions. Trade or investment opportunities published herein are not presently known to be subject to such conditions. However, it is possible that U.S. firms responding to opportunities from Arab countries may be asked at some stage of a transaction to participate in an Arab boycott-related restrictive trade practice as defined in the Department's Export Administration Regulations (15 CFR, Part 369 et. seq.).

Firms are reminded that it is the policy of the United States (a) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States or against any United States person, and (b) to encourage and, in specified cases, to require United States persons engaged in the export of articles, materials, supplies or information to refuse to take actions, including furnishing information or entering into or implementing agreements, which have the effect of furthering or supporting such restrictive trade practices or boycotts. Violators of U.S. anti-boycott law are subject to severe penalties including fine, imprisonment and revocation of export license privileges.

Firms are further reminded that U.S. concerns receiving requests to participate in a restrictive trade practice or boycott must report such request to the Department of Commerce in accordance with Section 369.6 of the above-cited regulations.

3536—UNITED KINGDOM—Manufacturer of **pulley blocks and other kinds of lifting tackle** (with lifting capacity from a few pounds to 1,000 tons) seeks licenses to make compatible products. Interested in equipment to sell to crane manufacturers, civil engineering contractors or shipbuilders. Also other general engineering products manufacture in small to medium batches. Annual sales, $4 million; 130 employees. T. I. C. McKenzie, Mng. Dir., Ansell Jones & Co. Ltd., Walstead Road West, Walsall, WS5 4AZ, England. P-78817.

3540, 3553—GERMANY—Seeks licenses, technology from the U.S. **machine building industry.** German firm produces **woodworking machines** including lathe-hand machines, chippers, milling and boring machines. Interested in producing additional machinery such as **metalworking machines** (excluding precision machine tools). Firm has complete electric welding shop, large assembly operation with cranes up to 30 tons loading capacity and strong sales network. Established 1897, employs 100. Herr Schumacher, Gebr. Kloeckner GmbH, Maschinenfabrik, D-5239 Hirtscheid-Nistertal, Westerwald. Telephone: 02661-281; telex: 0869 305; cable: GEKLOE NISTERTAL/WESTERWALD. P-78790.

3541—UNITED KINGDOM—Company engaged in the distribution and service of **highly sophisticated machining centers and lathes** seeks licenses in this field. Employs 180. V. H. Balding, Mng. Dir., Beaver Machine Tool Sales Ltd., Sweet Briar Road, Norwich, NR6 5AJ, England. P-78770.

3541—UNITED KINGDOM—Manufacturer of **small metalworking machine tools up to 5 tons weight and machine tool attachments** seeks licenses to make related equipment. Established 1954, employs 70. R. Moore, Dir., Downham Engineering Co. Ltd., Priory Road, Downham Market, Norfolk, England. P-78772.

3542—UNITED KINGDOM—Engaged in manufacture of **sheet metalworking machinery,** firm seeks license to make related products. Employs 210. Established 1916. J. B. Doyle, Mng. Dir., Keeton Son & Co., Ltd., Greenland Road, Sheffield S9 5HB. P-78816.

3546—UNITED KINGDOM—Small company, operating as manufacturer/distributor of **hand tools,** seeks licensing agreement to produce similar products to complement its range of needle scaling guns. Annual sales volume, $1 million. Denis Hunt, Sales Dir., John Trelawny Ltd., Caswell Road, Sydenham Farm Estate, Leamington Spa, Warwickshire, England. P-78780.

3551—UNITED KINGDOM—Licenses to make compatible products sought by manufacturer of **equipment for confectionary and fruit preserving industries.** Employs 62. J. K. Taylor, Brierley, Collier & Hartley Equipment Ltd., Bridgefield St., Rochdale, England. P-78806.

3551—UNITED KINGDOM—Producer and distributor of **slaughterhouse equipment** seeks licenses to make allied products. Annual sales $2 million. Employs 120. C. R. W. Gretton, Gen. Mgr., Lockerbie & Wilkinson Ltd., Alexandra Works, Tipton, England. P-78807.

3551—UNITED KINGDOM—Licenses to produce compatible equipment are sought by firm engaged in manufacture of **equipment and appliances for preparing, cooking and serving of food.** Established 1957, company employs 165. Reports annual sales of $6 million. O. T. Springer, Oliver

Licensing and investment proposals from foreign firms are listed in these columns. Specific product interests in each proposal are highlighted in bold type to facilitate identification and each proposal is preceded by the appropriate four-digit product number taken from the Standard Industrial Classification (SIC) Manual.

Background information on opportunities abroad and assistance on overseas investments are available from the Overseas Products and Investment Opportunities Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230, 202-377-4065. "P" numbers should be used when responding to any of the specific proposals listed.

WTDR indicates that a World Traders Data Report containing financial and background information on the foreign firm is available for $15 from the Export Information Division, Room 1033, U.S. Department of Commerce, Washington, D.C. 20230. WTDR request forms may be obtained from any Commerce District Office.

OPIC indicates that the country involved is eligible for investment insurance coverage and financing from the Overseas Private Investment Corporation. Information regarding applicable coverage may be obtained from OPIC, Washington, D.C. 20527.

Tom's Catering Equip. Ltd., 222 Kensal Road, London W10 5BS, England. P-78810.

3554—UNITED KINGDOM—Manufacturer and distributor of **printing, packaging and paper converting machinery** seeks licenses to produce machines compatible to its present line. Employs 800. Established 1936. A. Oakley, Sales Dir., Lonsdale Universal Engineering Ltd., Budds Lane, Romsey, Hants, England. P-78773.

3559—BELGIUM—Important producer of pressure vessels and medium and heavy plate work seeks licenses. Firm wants to manufacture **pollution control equipment and specifically water treatment tanks along with channels for such tanks.** Company believes market for water pollution control equipment is excellent in Belgium at this time, given current determination to apply stricter standards nationwide. Employs 80 with staff of 12 in engineering and design. Annual sales, approximately $5 million. J. Brouzier, Tech. Mgr., Ateliers de Construction et de Chaudronnerie, Antoine Lefevre & Fils S.A., Reu Paul Pastur 123, B-6210 Charleroi, Belgium; telephone: 071/35.01.40; telex: 51418. P-78786.

3559—GERMANY—Company interested in acquiring licenses from U.S. manufacturers of machinery and equipment similar to its own line of production. Primarily interested in **machinery and equipment for plastics making industry, for rubber working industry, for production of automobile tire and inner tubes, etc.** Established 1965, employs 160. R. Hilge, AZ Formen- Und Maschinenbau GmbH, Postfach 400129, 8000 Muenchen 40. P 78804.

3559—GERMANY—Manufacturer of **special plastics working machinery and equipment** seeks technology from U.S. producers of machinery similar or complementary to own line. Established 1960, has 92 employees and annual sales averaging $12 million. Brueckner Maschinenbau, Gernot Brueckner GmbH KG, P.O.B. 100, 8221 Siegsdorf. P-78823.

3559—ITALY—Manufacturer of **small precision making machines in automobile, transport vehicle and aircraft fields** seeks licensing and/or joint venture arrangement with experienced U.S. firm dealing in similar equipment. Employs 18 and markets its products throughout Italy. MESAP, Via Verso Cartellammare, 192/200, 84012 Angri Salerno. Telephone: 081/947334; cable address: MESAP ANGRI, SALERNO. P-78792.

3559—UNITED KINGDOM—Small company, operating as manufacturer/distributor of **automobile wrecking equipment** and allied lines, seeks licensing arrangement to produce similar equipment. Employs 30 and reports annual sales of $2 million. B. S. Jackson, Wreckers International Ltd., Caxton Hill, Ware Road, Hertford, Herts, England. P-78779.

3567—SWITZERLAND—Manufacturer of special type furnaces seeks licensing arrangement to produce **laboratory vacuum furnaces and special application furnaces,** e.g., very high temperature. Well equipped, employs 120. M. Sperisen, Pres., Kasermann & Sperisen AG, rue Aebi 75, 2501 Bienne. P-78803.

3569—UNITED KINGDOM—Manufacturer of **packaging machinery and related equipment** seeks licenses to make products allied to its current line. Established 1919. A. C. E. Seguin, Gen. Mgr., Thames Case Ltd., Packaging Systems Department, London Road, Purflett, Essex, England. P-78783.

3569—UNITED KINGDOM—Manufacturer and distributor of **packaging machinery,** especially equipment used in secondary or tertiary packaging, seeks licenses to make related products. Employs 25. P. E. Elford, Mng. Dir., Pakfast Ltd., 131-137 Southhampton St., Reading, Berks, England. P-78809.

3569—UNITED KINGDOM—Manufacturer of **systems for packaging** seeks licenses to make compatible products. Established 1900, employs 2,500, annual sales of $70 million. J. E. Slatter, Development Dir., Field Sons & Co. Ltd., Packet Boat House, Packet Boat Lane, Cowley, Uxbridge, Middlesex, England. P-78812.

3573—AUSTRALIA—Seeks joint venture to expand the marketing of **minicomputers.** Engaged in rental, sales and service of computers. Offers equity to U.S. partner in return for capital. Australian company presently entering lower end of computer markets, wants to upgrade equipment, technology. Graeme P. Stewart, Dir., Dataforce Computer Systems, P.O. Box 546, Toowong, Queensland, 4066. P-78824.

3585—NETHERLANDS—Manufacturer of **central air conditioning systems and packaged units seeks licenses to produce and market products compatible to its present operation.** Interested in consumer goods, but all suitable products would be considered. Staff of 145 and plant and offices covering 72,000 sq. ft. Assembles, tests and sells over 50% of production to European countries. Sales offices in Germany, Belgium and France. C. F. Lindenhovius, Controller, Bronswerk-Refac, P.O. Box 28, Brabantsestraat 18, 3800 HC Amersfoort. Telephone, (033) 39911; telex, 79315; cable, REFAC AMERSFOORT. P-78793.

3600—FRANCE—Manufacturer of transformers, battery chargers, voltage stabilizers seeks license. Product interests include (1) **fire, smoke, burglar alarms for homes and cars, other surveillance equipment; (2) solar energy, wind equipment; (3) flow sensors for monitoring gas consumption in cars;** (4) **transformers, voltage testers and** (5) **electronic devices for insect control.** Two plants, operates own sales network. Employs around 200, annual sales $4 million. Guy Biraud, President, BC Transformateurs, 108-110, Rue Marius Aufan 92307-Levallois. P-78791.

3636 — GERMANY — Established 1867, manufacturer of **electric hoists, drum, truck mounted and hydraulic winches, jacks and pneumatic pumping devices** seeks licenses to make machinery compatible to its present line. Employs 200 and has 20 sales representatives in Germany. Also has 42 representatives in other countries. Otto Mong, Pfaff - Silberblau Hebezeugfabrik KG, Industriestr. 14, 8901 Derching. P-78820.

3661—GERMANY—Seeks licenses to produce **detection equipment (burglary, fire and sabotage), monitoring equipment and sirens (electric, electronic and pneumatic).** Makes electronic alarm systems, search, detection and identification systems. Also lightning arrestors and rods. Employs 600 and 20 sales representatives. Good reputation. Hoermann GmbH, Bayerwalstr. 27, 8000 Muenchen 82. P-78818.

3662—UNITED KINGDOM—Small manufacturer and distributor of **communication equipment related to antennas, duplexers, multiplexers, and filters suitable for professional telecommunication, amateur radio and broadcasting use** seeks licenses to make compatible products. Employs 150, has sales of $2.7 million. M. J. Wilkins, Mktng. Dir., Jaybeam Ltd., Moulton Park Industrial Estate. Northhampton NN3 1QQ, England. P-78769.

3911—UNITED KINGDOM—Manufacturer of silverplated tableware seeks to manufacture under license **giftware and jewelry.** Established 1919, employs 250. A. J. Williams, Mng. Dir., Arnold E. Williams & Sons Ltd., Falstaff House, Lichfield Road, Birmingham B6 7SU, England. P-78775.

3999—INDIA—Old established firm seeks technical know-how and equipment to manufacture **balls for squash, golf, tennis and baseball.** Manufactures table tennis balls, rackets, and tables and aluminum slats for venetian blinds. Representative of firm planning to be in U.S. for four weeks beginning Oct. 12, would like to meet with U.S. manufacturers and suppliers of electronically controlled tennis training and coaching equipment to discuss sales representation in India. H. D. Assar, Partner, Sunderdas & Co., B-2 Atlas Mills Compound, Reay Road, Bombay 400 010: cable: SUNCOMP-MAZAGON, Bombay. WTDR. P-78861. OPIC.

7996—SAUDI ARABIA—Firm owning one million square meters of land with sea frontage seeks joint venture partner to establish an **amusement park.** Land located near Azizia Beach Resort. U.S. investor would provide complete design, installation and management. Firm estimates profit yields will be so high as to recover initial investment within three to four years. Detailed terms of financing and joint participation in project are open for negotiation with seriously interested U.S. firms. Firm desires to be contacted by telex. Said Batook, V. Pres., Saleh S. Batook. P.O. Box 25, Alkhobar. Telephone: 41084; cable: BATOOK; telex: 670097. P-78883. WTDR. OPIC.

8911—MOROCCO—Firm has been selected for **engineering of a new mill** in Khouribga Basin, the largest in Morocco. Proj-

ect, which will be on turnkey basis, includes **engineering work for construction of mill consisting of stone clearing unit and crushing unit.** Total project estimated around $40 million. Firm is seeking partner in engineering work, bid submission, actual execution of project. Firm will be responsible for local administration, supply and civil engineering (especially in supply and installation of equipment). Abdellatif Berrada, Administrateur Delegue, Techniprojets, S.A., 16 Zankat Ait Atab, Rabat; telephone, 538.67; telex: 319.65M. WTDR. P-78837. OPIC.

Licensing In U.S.

For additional information on these opportunities to manufacture foreign firms' products in the United States under an investment, joint venture, or licensing agreement, write to the Domestic Investment Services Staff, Bureau of Export Development, Room 4020, U.S. Department of Commerce, Washington, D.C. 20230 (202-377-5361), referring to the appropriate file number.

Investment

GERMANY—Beerhall. Firm is interested in establishing restaurant in vicinity of Phoenix, Ariz. Firm plans to set-up Barvaria-style beerhall, 150 to 200 seats, employing 4 to 6 waiters or waitresses. Firm believes $100,000 to be sufficient as initial investment, but is prepared to double sum, if required. Hermann Heil, Am Pfaerrle 2, 8900 Augsburg. File 4023.

Joint venture

CHILE—Firm seeks joint venture with U.S. **consulting engineering or engineering and construction** firm. U.S. partner would be expected to provide working capital in return for equity share in business that would be negotiated. Experience sought in U.S. partner includes electric power line installation, telephone network expansion, roads and bridges, and public housing. Jose Miguel Perez, Gen. Mgr., Sigla Sociedad de Ingenieros Ltda., Adriana Cousino 360, Casilla 5602, Santiago. File 4024.

GERMANY—Coal hydrogenation process (improved I.G. Farben process). Reportedly, firm has successfully concluded improvement of former I.G. Farben process for coal hydrogenation and is offering its advanced technology and know-how under license and/or joint venture to leading U.S. manufacturers. Sigurd Jorzyk, Research Dir., Saarbergwerke Aktiengesellschaft, Trierer Str. 1, D-6600 Saarbruecken. File 4025.

GERMANY—Plumbing fittings and armatures. Firm is interested in joint venture with U.S. manufacturers of similar products. Firm is also interested in acquiring such a company. Its program runs from functional two-hand water mixers to elegant one-hand mixers, to thermostatically controlled fittings supplying water at constant temperature. Rainer Heumann, File #55, American Con. Gen., Box 515, APO New York 09080. File 4026.

GERMANY — German manufacturer is seeking cooperation with one or more U.S. plastics manufacturers and processors for the production of its **plastic products** in the United States. The firm is also interested in manufacturing and selling the products of the U.S. firms in Europe and/or other selected markets. The cooperation could be through acquisition by the German firm of preferably a majority or a 50 percent equity in the U.S. firm or through the establishment of a new company jointly owned on this basis. Rather than indicate the possible size of investment in the planned joint venture, the German firm stated that it would consider candidates with annual sales between $5 and $50 million, and employment between 50 and 500 workers. American Consul General, Commercial Section, Box 1, APO New York 09069. File-4044.

UNITED KINGDOM — Hydraulic chain saw. Firm seeks joint venture or licensing arrangement for the manufacture of its "hydrasaw." J. M. Turner, Mng. Dir., Miles Roystone Ltd., Priory Works, Mansfield Woodhouse Mansfield, Notts. File-4045.

Licensing

AUSTRALIA—Inventor seeks U.S. firm to manufacture and market a small patented **plastic spigot device** that reduces the sediment in home brewed beer. Rex Johnson, Partner, Ryson Trading Co., 70 Fort Road, Oxley, Q. 4075. File-4046.

AUSTRALIA—Windmill pump. Company is seeking U.S. licensee for its newly-developed windmill pump. David Nicholls, Sales Mgr., Brilin Pump Co., 14 Wotan St., Innaloo W.A. 6018. File-4047.

AUSTRALIA — Apple bagging machine. Firm seeks U.S. licensee for its fruit handling equipment. Its apple bagging machine accurately packs and seals apples in polyethylene bags and weighs extremely accurately. Australian Trade Commission, Suite 426, 636 Fifth Ave., New York, N.Y. 10020. File 4048.

DENMARK—Fish tackle. Newly-developed fish tackle which can be used as jig and as spinner. Inventors offer to license production and marketing in U.S. and Canada. Bent Jorgensen Director, I/S Spinnernirk, Alsikemarken 27, DK-2860 Soborg. File-4049.

FINLAND—Firm is offering its technical know-how covering the production of **paper and board products** including coated and uncoated woodfree papers, printing papers, carton board, paper towels, paper sacks, porous polyethylene-coated papers and absorbent and liquid-proof tissue laminates. Firm will make available its know-how in process design, equipment, installation and start-up assistance as well as management assistance. Joint venture would also be considered. Dr. Orhan Bayas, Northern Technologies, Pohjoisesplanadi 27C, SF-00100 Helsinki 10. File-4050.

FRANCE—Cable TV equipment. Firm seeks U.S. company to manufacture cases (in cast or injected aluminum) as containers for the equipment. Mr. Drux, Director, ELAP, 449 rue de Metz, Mondelange, 57303 Hagondange. File-4051.

GERMANY—Mono-skis. Registered under name MONOSTAR, manufacturer has designed and developed completely new recreational and athletic piece of equipment for winter sports. Reportedly, ski has highly sophisticated safety bindings. Siegfried and Roland Kittmann, Wasserwiese 1, 8102 Mittenwald. File 4027.

GERMANY—Rotary percussion drilling equipment used for shot hole drilling, well drilling, rock drilling and similar jobs in mining, construction and related industries; most of the drills operate hydraulically. Firm claims that its equipment needs only 50% of energy of comparable products on market. Guenther Klemm, Spezialunternehmen fuer Bohrtechnik, 5962 Drolshagen-Wenkhausen. File 4028.

GERMANY—Airlift transportation systems used for quarries, submarine excavating, pipeline and cable laying and sewage systems. Karl-Heinz Troendle, Mgr., Superior Welding & Manufacturing Corp., Pressair GmbH, Postfach 801 426, 8000 Munich 80. File 4029.

GERMANY—Sigurd Jorzyk, Research Dir., Saarbergwerke Aktiengesellschaft, Trierer Str. 1, D-6600 Saarbruecken. Firm is offering its **advanced technology and know-how** for following:

Underground mining safety—**coal-dust binding compound,** pasted on linings of underground pits, reportedly will prevent coal dust from scaling off and thereby will reduce danger of explosion. File 4030.

Underground mining safety—**high-pressure rock/stone injection compound** for use in underground pits to stabilize mining shafts. File 4031.

Stamp charging/coking process—reportedly firm has improved this particular technique by means of combining preheating and stamp charging. Firm claims this combined process converts heretofore insufficiently caking coals from highly volatile coals, as well as other types of hard coal, to high-quality blast furnace coke, reduction coke and foundry coke. File 4032.

Underground mining safety—**coal conveyor belts** with built-in automatic safety arresting device. File 4033.

New design concept of a 200 mw. **hard coal based power station** providing for plant efficiency of about 40% with almost no environmental pollution. File 4034.

GERMANY—Coal pressure gasification (entrained gasification process). Engineering firm is offering its advanced technology and know-how for gasification of coal, lignite, and other types of solid, liquid and gaseous fuels to leading U.S. manufacturers. Manfred Rossbach, Saarberg—Dr. C. Otto Arbeitsgemeinschaft fuer Kohle-Druckvergasung, P.O. Box 1030, D-6600 Saarbruecken. File 4035.

GERMANY—Firm is interested in granting licenses to U.S. firms for manufacture of **waste incineration plants and plants for recycling plastics and other evironmental protection apparatus,** e.g., for disposal of domestic, commercial and special waste. Babcock-Maffei Industrienlagen GmbH, Tannenweg 4, 8000 Muenchen 50. File 4036.

GERMANY—Inventor is seeking U.S. manufacturer interested in acquiring patent (including all legal rights) for construction and worldwide distribution of **public utility garbage container.** Reportedly, this garbage container is fully hygienic and burglar-proof, made of plastics and therefore reasonable in price. Inventor will charge an inventor's fee for patent and also royalty fee of 2.5% for production of container. Hans W. Raacke, Uferstr. 29, 8993 Nonnenhorn. File 4037.

GERMANY—Winter sport articles. Patented safety-ski binding. Hannes Marker, Hannes Marker, GmbH KG, Hauptstr. 51-53. File 4038.

GERMANY—Producer of **detergents for washing and dishwashing machines and of household cleaning products** is interested in granting licenses to U.S. manufacturers of chemicals, similar to its own line of production. Mrs. L. Kronwitter, Kron-Chemie GmbH, von Richthofen-Str., 8870 Guenzburg. File 4039.

GERMANY—Manufacturer of fashionable slacks and jeans is seeking U.S. licensees for manufacture and distribution of **slacks and jeans** designed by German firm. Pro-

spective partner should, later, also distribute their complete sportswear line. Dr. Peter Schaefer, MODA BERRI, Berliner Str. 3-5, 8402 Neutraubling. File 4040.

NETHERLANDS — Firm seeks licensing agreement for the production of reinforced steel, concrete, prefabricated, loadbearing **floor systems.** Mr. Aukema, Technical Director, Reso Nederland, P.O. Box 206, 1400 AE Bussum. File-4052.

NORWAY—Builders tool. Firm seeks to license new invention of multi-purpose press crowbar designed for laying of floors. Edgar W. Pedersen, Solsletta 1, 4740 Tveit. File-4053.

SWITZERLAND — Automatic conveyors. Firm offers U.S. license for its line of flexible mechanical screw-type conveyors especially developed for use by the chemical, food/feed and plastics industries. System can be manufactured to length of 200 feet with any number of bends and outlets. Mr. Hindermann, Pres., Industrie Technik E.A., Hindermann AG, Sagirain 2, 6403 Kussnacht. File-4054.

SWITZERLAND—F. Trummer, Trummer & Co., 3214 Frutigen, is offering following licenses: **Garbage incineration plants** of various sizes, including related handling and conveying equipment, garbage storage and predrying bunker, automatic controls for whole process, file 4041; line of **concrete mixing** and batching plants and related conveying, feeding and discharging systems; file 4042; and **automatic gravel plants** for gravel production grinding, cleaning and all related operations including mixing systems, handling equipment, file 4043.

Direct Sales

The following trade opportunities are based on reports received from the U.S. Foreign Service—Department of State by the Trade Opportunities Program, Room 2323, U.S. Department of Commerce, Washington, D.C. 20230. The commodities in which foreign firms have interest indicated by codes 0111-1799 and 4011-8999 are based on the Standard Industrial Classification Manual, 1972; codes 20 through 39 come from Numerical List of Manufactured Products (New 1972 SIC Basis), MC72-1, 2. Codes beginning with 99 are from the TOP coding system.

U.S. firms should be aware that the listing in Commerce America *of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the Department of Commerce pursuant to the Department's Export Administration Regulations. Applicable export licensing regulations must be followed.*

Every effort is made to include only traders with good reputations. However, the Department cannot be responsible for any trade relations.

WTDR indicates that a World Traders Data Report on this specific firm is available at $15 from the Export Information Division, Room 1033, U.S. Department of Commerce, Washington, D.C. 20230. A WTDR is a trade profile which contains commercial information including financial references, on an individual foreign firm. Orders must include complete name and address of the subject firm and be accompanied by payment. Further information concerning WTDRs and request forms are available at each Commerce District Office.

Fabricated textile products

2394053—EL SALVADOR—Direct govt. purchase 13 tarpaulins, size—20 by 28 meters ea., made with natural or man-made fibers, covered with plastic or any other waterproof material. Fabric must be resistant to ultra-violet light, waterproof, fire resistant, tear & pressure resistant, non reactive to chemicals, dielectrically sealed; reinforced edges with eyelet-holes of 12.5 mm dia., 1 meter spacing; easy to fold & maintain; printed with acronym IRA in black letters 2 meters long & 75 cm. wide; to be used for protection cereals stored outdoors. Interested firm must provide instructions for maintenance. Financed by govt. IRA plans to replace tarpaulins every 2 yrs. Quotation terms—c.i.f. Aeropuerto Illopango. Answer ASAP directly to IRA's contact. Corres. preferably in Spanish. IRA would like to receive sample of fabric to be used. Reply by telex—Rene Gonzalez Chirino, Proveedor, Instituto Regulador de Abastecimientos, IRA, Avenida Norte Y 39 Calle Poiente, San Salvador. Telex-20005-IRASAL. Reply ASAP.

Cutlery, hand tools, gen'l hardware

3429711, 3541890 - 2331 - 2298, 3559589, 3586051, 3589242 — BOLIVIA — Electric hoisting tackle. 1 ea. gaskets cutting machine. 2 ea. swaging machines. 2 ea. saddler's machinery. 2 ea. grease guns. 2 ea. manual presses. 1 ea. floor polishing machine. ENFE issued tender for this specialized equip. recently & there were no bids for these items. ENFE still wishes to buy equip. & preferably from U.S. firms. This is not tender; it is direct sale without deadline. Railroad co. has obtained World Bank Loan US$ 35 million for this & other purchases. This is ENFE's 3rd phase of its rehabilitation plan. Proposals can be submitted to nearest Bolivian consulate for forwarding to La Paz; however, U.S. firms must notify ENFE by telegram of this action. Reply to— Gerencia de Rehabilitacion E. Inversiones, Empresa Nacional de Ferrocarriles, Casilla 428, La Paz.

Fabricated metal products

3443300, 9918104, 3511100 — INDIA — Steel Authority of India Ltd. (SAIL), a Govt. of India undertaking which owns public sector steel mills, has invited global bids for 2 units—Bokaro Steel Plant, Bokaro Dist. Dhanbad, Bihar, & Durgapur Steel Plant, Durgapur, West Bengal. Global tender No. T & C(M)/exp-90 for supply, erection, testing & commissioning 3 units 60 mw thermal power plant for Bokaro Steel Plant. Copies tender docs. available from office of Deputy Chief Engineer (Tender & Claims), Bokaro Steel Plant, address below, on payment of RS 550 ($67.90). Global tender No. PUR/CCP/1, for supply, erection, transportation, testing & commissioning 2 units 60 mw turbo-generator sets & accessories, with matching boilers to be installed in Durgapur Steel Plant. Bidders may quote either for turbo-generator & boilers as combined package, or individually for any of items. Bidders also required to provide operation supervisory service after commissioning. U.S. firms intending to participate in bids should have past experience designing, manufacturing, installing and commissioning at least 5 or more similar equip. sets & accessories which have been in successful commercial operation for at least 2 yrs. Interested bidders must obtain tender docs. on payment of RS 650 ($80.25) either from branch mgr., SAIL Durgapur, Steel Plant, 6 Ganesh Chandra Ave., Calcutta 700013; or Chief Cashier. SAIL-Durgapur Steel Plant, Durgapur 70,203, Cable BOKSETTL; telex 268-201. Obtain bid docs from—Deputy Chief Engineer (Tender & Claims), Bokaro Steel Plant Bokaro Steel City 827001, Dhanbad, Bihar, India. Refer to global tender Nos. above. Bid deadline Dec. 1.

Metal stampings

3462000—BELGIUM—Steel chains. Firm is among 3 leading terminal operators in Port of Antwerp. Constantly renewing its materials handling equip. for its port operations. Reply to—Frans Dierckx, Mng. Dir., Hessenatie-Neptunus, Stijfselfui 34 Belgium, 2000 Antwerp. Tel. 031/33 39 61.

Construction machinery

3531451—MOROCCO—Supply 1 automatic scoop loading shovel equipped with 2 booms mounted on wooden slats, for loading trucks with bags from 50 to 100 kilograms each. Bid bond 3 percent. Final bond 5 percent. Prices to be quoted f.o.b. U.S. port incl. packing. Delivery within 3 months from date acceptance. 1 yr. guarantee, certificate of origin, & 1 yr. after sale service required. Supplier must also submit complete price list most needed spare parts. Financed by Moroccan Central Govt. investment budget. Strongly advises bid submission & corres. in French, if at all possible. Bid docs. must be obtained from address below prior to submitting bids. Obtain bid docs. from—Monsieur le Directeur Gen., Secreries Nationales du Gharb, Sunag, B.P. No. 32 RP, Rabat. Refer to bid No. 21/78. Bid deadline Oct. 25.

3533100—BURMA — Supply 1 underfloor diesel electric ac-scr drilling rig capable drilling to 18,000 ft., complete with specified items of drilling equip., accessories & replacement parts for 18 mo. operation. Financed from Myanma Oil Corp.'s capital budget. U.S. Embassy, Rangoon, will forward copies bid invitation & specs. to interested U.S. firms on request, citing "T-0109." Refer to bid no. 1(T)MCY-MOC/AC-SCR(78-79)CAP. Submit bids to—Procurement Mgr., Myanma Oil Corp., 604 Merchant St., P.O. Box 1049, Rangoon. Bid deadline Nov. 13.

3533400 — INDIA — Executive Engineer (Store), Ground Water Dept., has further extended bid deadline on notice Nos. 1317134 & 134129 submitted earlier for different types of water drilling rigs. Obtain bid docs. from—Executive Engineer (Store), Ground Water Dept., Govt. of Rajasthan, Jodhpur 342001, India. Refer to bid No. T-3/78-79. New bid deadline Nov. 29.

3537100 — URUGUAY — Special purpose trucks of which 3 have mounted earth

drilling & hoisting equip. for telephone pole setting, & 2 featuring rear winch & cable drum administering mechanism for underground cable laying. Bids must incl. c.i.f. Montevideo prices & interested parties should enter bids through their local representative. Obtain bid docs. from—Administracion Nacional de Telecomunicaciones (Antel), Paraguay 2431, Abastecimientos de Antel Piso 5, Montevideo. Refer to bid No. 103. Bid deadline Oct. 27.

Service industry machinery

3589291 — COLOMBIA — Sewer cleaning equip., hydrodynamic, consisting of solid waste tank of min. cap. 500 gals. & permissible dia. of solid wastes 3, vacuum pump cap. 200 gals. per min., approx. cleaning tank, 1,000 gals. min. & pump cap. 50-80 gpm, pump pressure 1,500 psi min. & length of hose 100 meters dia. house 1 to 1¼ self-propelled nozzle with angles between 15 & 35 degress. Terms & specs. must be obtained for 400 pesos for 1st copy & 200 pesos for ea. additl. copy ($1.00; 40 pesos, approx.). Not reimbursable. No offers considered from bidders who do not buy docs. containing terms & specs. Empresas Publicas de Medellin is public utility branch, municipal govt. Medellin (semi-autonomous organization). Correspond by airmail. Obtain terms from—Empresas Publicas de Medellin, Departamento de Compras, Div. Comercial Almacen General, Calle 30 Entre Carreras 65 y 70, Medellin, Colombia. Refer to bid No. 15/9/78. Bid deadline Oct. 25.

Electric transmission, distrib. equip.

3612200—THAILAND—2,000 600 v. class current transformers—window type, molded butyl rubber or epoxy resin encapsulated insulation for outdoor & indoor use, 200/5 amp. 1,500 current transformers similar to above item but 400/5 amp. 100 current transformers similar to above item but 600/5 amp. 20 current transformers similar to above item but 3,000/5 amp. 150 15-kv. class current transformers—outdoor type, either butyl-molded or molded epoxy construction, equipped with bracket for mounting in any position, 15/5 amp. 150 current transformers similar to preceding item but 25/5 amp. 200 current transformers similar to preceding item but 50/5 amp. 25 current transformers similar to preceding item but 200/5 amp. 25 current transformers similar to preceding item but 400/5 amp. 150 25-kv. class current transformers— outdoor type, either butyl-molded or molded epoxy construction, equipped with bracket for mounting in any position, 10/5 amp. 75 current transformers similar to preceding item but 15/5 amp. 100 current transformers similar to preceding item but 25/5 amp. 75 current transformers similar to preceding item but 50/5 amp. 50 current transformers similar to preceding item but 100/5 amp. 25 current transformers similar to preceding item but 200/5 amp. 5 current transformers similar to preceding item but 300/5 amp. 500 15-kv. class potential transformers—outdoor type, butyl-molded construction only, ratio 12,000/120 v., 50 cycle. 400 25-kv class potential transformers—outdoor, butyl-molded construction only, ratio 24,000/120 v., 50 cycle. Financed by loan from Asian Dev. Bank. Tender docs. for sale at U.S.$13.50 from: Purchases & Stores Dept., Metropolitan Electricity Auth. (MEA), 121 Chakpetch St., Bangkok 2. Refer to bid no. ADB-MEA-404. Bid deadline No. 1.

3612200 — MALAYSIA — Tenders invited only from mfrs. or their accredited agents for supply following power transformers & associated control equip.: 4 of 45 mva 132/33 kv. transformers; 2 of 30 mva 132/33 kv. transformers; 2 of 30 mva 132/11 kv. transformers; 2 of 15 mva 132/11 kv. transformers; 2 of 15 mva 66/11 kv. transformers; 4 of 15 mva 33/11 kv. transformers; 4 of 12.5 mva 22/6.6 kv. transformers; 4 of 7.5 mva 132/11 kv. transformers; 1 of 7.5 mva 66/11 kv. transformers; 6 of 150 mva 33/0.415 kv. neutral earthing auxiliary transformers. Tender docs. must be purchased for M$100 (or M$125 incl. overseas postage) by mailing check or bank draft payment to chief accountant of NEB. prior to submitting offers. This payment will not be refunded. (US$1.00 approx. M$1.30). Obtain bid docs. from—Senior Purchasing & Contracts Officer, National Electricity Board (NEB), P.O. Box 1003, Jalan Bangsar, Kuala Lumpur. Refer to tender No. JMK/15046. Bid deadline Nov. 27.

3612200 — CYPRUS — Mfr., supply, test, finish, paint, pack & deliver c.i.e., Limassol, Cyprus & maintenance for 18 months —three 10/15 mva ONAN/ONAF 66/11.51kv transformers having on load tapping for plus/minus 7 steps for 1.43%, & impedance at cmr of 15% on nominal tap. Transformers to operate in parallel on master/follower basis with scheme suitable for ultimate group of 4 transformers incl. some existing with similar spec. All work must conform to British standards, Intl. Electro-Tech. Commission standards or other authoritative standards which in opinion of engineer are of equivalent or higher quality. Tenders should be accompanied by banker's guarantee for 5% quotation. Award contract planned for end April 1979. Early delivery date essential. Tender docs. costing 50 Cyprus lbs. (U.S. $137.00) for set of 3 docs. must be obtained from below address prior to submitting offers. U.S. Embassy Cyprus ready provide addl. info. & tender docs. directly to interested firms. Obtain bid docs. from—S. G. Anastassiades, Chief Engineer & Gen. Mgr., Electricity Authority of Cyprus, P.O. Box 4506, Nicosia. Refer to contract No. 123/1978. Bid deadline Nov. 7.

3612200-3200 — THAILAND — Eight 115 kv. gas circuit breakers. Two 34.5 kv. power circuit breaker. Six 23 kv. power circuit breakers. 38 current transformers—115 w, 92 kv., 34.5 kv. & 25 kv. Financed by loan from Intl. Bank for Reconstruction & Dev. (World Bank). Tender docs. for sale at U.S.$100 per set of 2 copies. Obtain bid docs. from—Electricity Generating Authority of Thailand (EGAT), Nonthaburi, Thailand. Refer to bid No. WC002, Bid deadline Nov. 21.

Electrical industrial apparatus

3621400—GREECE — Supply, installation & setting in operation of an oil-fired steam electric power unit of 300 mw at Lavrion Power Station. Boiler should be outdoor type. Generator must be 3-phase 50 hz, 21 kv. Financed from PPC's budget. Detailed specs. & terms available for 6,000 drachmas (about $165) from: Public Power Corp. (PPC), Purchasing Dept., (Major Projects), 55 Stournari St., Athens 102. Bid deadline Nov. 15.

3621400-700—GREECE—Supply & installation two 55.7 mw turbines & governors, 2 60 mva generators with transformers & electrical equip. for Assomata Hydroelectric Project on Aliakmon River. Financed with European Investment Bank assistance. Bid docs. must be obtained from address below for 8,000 drachmas (about $215) per set. Tenders solicited by quasi-governmental agency. Submit bid docs. to —Public Power Corp. (PPC), Purchasing Dept., 55 Stournari St., Athens 102. Refer to bid No. AH-3. Bid deadline Nov. 23.

3629100 — THAILAND — 500 enclosed capacitor units — 3 phase, 400 v. delta connected, 50 hz., suitable for outdoor pole mounted application, rating 15 kvar. 200 enclosed capacitor units similar to above item but rating 20 kvar. 200 enclosed capacitor units similar to above item but rating 50 kvar. Financed by loan from Asian Dev. Bank. Tender docs. for sale at U.S.$5.50 per set. Contact—Purchases & Stores Dept., Metropolitan Electricity Authority (MEA), 121 Chakpetch St., Refer to bid No. ADB-MEA-207/repeat. Bid deadline Nov. 24.

Communications equipment

3661000-2100 — SYRIA — Supply of dual calling system per tender book of specs. & conditions. Bid & final bonds are 5% tender price & 10% contract price. Offer should stand firm 50 days. Financial & tech. details in Arabic. Mode of payment not defined. Tender book obtainable free of charge from Contracts Dept., Mowassat Hospital, Damascus, & must be obtained prior to submitting offers. Submit bid docs. to—Mowassat Hospital, Damascus. Refer to bid No. 7076. Bid deadline Oct. 30.

3661155 — IRAN — Electronic private automatic branch exchange (EPABX), 500 line expandable to 1,000 line cap., 4 units. Compatible with existing ISR network. Interested suppliers should deposit RLS. 1,000 ($14) in account 1039 (ISR), Bank Markazi, Tehran, Iran, to obtain tender docs. Contact—General Purchasing Dept., Iranian State Railways, Rahahan Sq. Tehran. Refer to bid No. 226/37. Bid deadline Nov. 1.

3662100—GREECE—Supply equip. & material for 5 radio links—(1) A1—A2—1800-ch/7 plus 1/8 ghz. (2) B1—B2—1800-ch/3 plus 1/4 ghz. (3) C1—C2—1800-ch/1 plus 1 (twin path)/4-ghz. (4) D1—D2—1800-ch/4 plus 1/4 ghz. (5) E1-E2-E3-E4—1800-ch/4 plus 1/4 ghz. E4-E5-E6—1800-ch/2 plus 1/4 ghz. E6-E7—1800-ch/3 plus 1/4 ghz. Financed from OIE's budget. Bid docs. free from: Hellenic Telecommunications Organization, S.A. (O.T.F.), Call for Bids Div., 6 Klissovis St., Athens. Refer to bid no. 7259. Bid deadline Oct. 26.

Motor vehicles, equipment

3711111—SYRIA—Supply of ambulances & spare parts per tender book specs. & conditions. Bid bond 10% tender price by certified cheque or bank guarantee. Prices to be quoted—f.o.b.s. country of origin c&f port of destination. Mode of payment not defined. Tender book obtainable free of charge from tender office at below address. Syrian Ministry of Defense & all subsidiary dept. will deal only with companies having agents registered with ministry. Contact: Vehicle Administration, Ministry of Defense, Damascus. Refer to bid No. 7201. Bid deadline Oct. 26.

Engineering, laboratory, scientific research instruments

3811220-380, 3229423—SYRIA—Supply of lab. equip. & materials per the tender book

of specs and conditions. Bid bond is 10% contract price by bank guarantee. Brochures and/or samples in duplicate accepted up to Nov. 26. Mode of payment not defined. Conditions available free at Buyer's Information Office. Syrian Ministry of Defense & all subsidiary departments will deal only with companies having agents registered with Ministry. Contact: Medical Services Administration, Ministry of Defense, Khatib St., Damascus. Refer to bid no. 6799. Bid deadline Dec. 13.

Measuring and controlling devices

3824231 — SINGAPORE — Singapore Public Utilities Board will be inviting bids in late 1978/early 1979 for supply & delivery 15mm water meters required by Water Dept. of Board for 1979 & 1980. Total quantity will be about 95,600 nos. Firms interested in tendering requested to airfreight without charge 10 nos. meters (to be returned after tests are completed), which they intend to offer, as samples for bench & field tests lasting about 7 wks., for purposes prequalifying meters for invitation of tender. Financed from loan by Asian Dev. Bank. Only tenders from countries which are members of Asian Dev. Bank or from Luxembourg allowed to tender. Further particulars concerning spec., procedure of acceptance test, etc. may be obtained from below address. Tenderers urged to submit their meters early as testing of meters is lengthy. Submit samples to—Chief Water Engineer, Public Utilities Board, 13th Fl. Pub Bldg., Somerset Road, Singapore 9. Deadline for sample Nov. 6.

3825100—THAILAND—6,000 watthour demand meters—3 phase, 4 wire, 220/380 v., a.c., 50 hz. 3 element meter for metering unbalanced 3-phased loads supplied from 240/416 v., 4 wire secondary network, or from 240/416 v., wye-connected transformer bank wth neutral point ground, 30(100) A., with indicating demand register & cumulative demand register, with provision for padlock seal, at least 2 points at meter cover & 2 points at terminal cover. 3,500 watthour demand meters similar to above item but 50(150)A. 900 watthour demand meters similar to above item but 2.5(10)A. 650 varhour demand meters—3 phase, 3-wire, 120 v. a.c., 50 hz., 2 element meter for metering unbalanced 3-phase loads supplied from 3-wire closed delta connected 12 kv. 24 kv. or 69 kv. feeder via potential transformers secondary output rating 120 v., & current transformers secondary output rating 5 ampere, 2.5(10)A. with indicating demand register & cumulative demand register for use with potential transformers & current transformers, with provision for padlock seal at least 2 points at meter cover & 2 points at terminal cover. Financed by loan from Asian Dev. Bank. Tender docs. for sale at U.S.$7.50 per set from address below & must be obtained prior to submitting offers. Obtain bid docs. from—Purchases & Stores Dept., Metropolitan Electricity Authority (MEA), 121 Chakpetch St., Bangkok. Refer to bid No. ADB-MEA-345. Bid deadline Nov. 21.

3825100—THAILAND—3,000 watthour demand meters—3-phase, 4-wire, 220/380 v., A.C. 50 hz. 3 element meter for metering unbalanced 3-phase loads supplied from 240/416 v., 4 wire secondary network, or from 240/416 v., wye-connected transformer bank with neutral point grounded, 30(100)A, with indicating demand register & cumulative demand register, with provision for padlock seal, at least 2 points at meter cover & 2 points at terminal cover. 2,000 watthour demand meters similar to above item but 50(150)A. 3,500 watthour demand meters similar to preceding item but 2.5(10)A. 1,500 watthour demand meters—3-phase, 3-wire, 120 v., a.c., 50 hz., 2-element meter for metering unbalanced 3-phase loads supplied from 3-wire closed delta connected 12 kv., 24 kv. or 69 kv. feeder via potential transformers secondary output rating 120 v., & current transformers secondary output rating 5 ampere, 2.5 (10) A., with indicating demand register & cumulative demand register for use with potential transformers & current transformers, with provision for padlock seal, at least 2 points at meter cover & 2 points at terminal cover. 500 varhour demand meters—3 phase, 4 wire, 220/380 v., a.c., 50 hz,, 3 element meter for metering unbalanced 3-phase loads supplied from 240/416 v., 4 wire secondary network, or from 240/416 v., wye-connected transformer bank with neutral point grounded, 50(150)a., with indicating demand register & cumulative demand register, with provision for padlock seal at least 2 points at meter cover & 2 points at terminal cover. 2,200 varhour demand meters similar to preceding item but 2.5(10)a. 1,200 varhour demand meters—3 phase, 3-wire, 120 v., a.c., 50 hz., 2 element meter for metering unbalanced 3-phase loads supplied from 3-wire closed delta connected 12 kv. 24 kv. or 69 kv. feeder via potential transformers secondary output rating 120 volt, & current transformers secondary output rating 5 ampere, 2.5(10)a,. with indicating demand register & cumulative demand register for use with potential transformers & current transformers, with provision for padlock seal at least 2 points at meter cover & 2 points at terminal cover. Financed by loan from Asian-Dev. Bank. Tender docs. for sale at U.S.$7.50 from—Purchases & Stores Dept., Metropolitan Electricity Auth. (MEA), 121 Chakpetch St. Refer to bid no. ADB-MEA. 403. Bid deadline Oct. 30.

3825100 — THAILAND — 50,000 watthour meters: single phase, 2 wire, 220 v., a.c., 50 hz. single element suitable for metering load supplied from 2 wire, 220 v. secondary mains with 1 main ground 5(15)A. 23,000 watthour meters similar to above item but 15(45)A. 4,000 watthour meters similar to above item but 30(100)A. 500 watthour meters similar to above item but 50(150)A. 50,000 watthour meters similar to preceding item but 5(15)A. With provision for padlock seal, at least 2 points at meter cover. 23,000 watthour meters similar to preceding item but 15(45)A. 4,000 watthour meters similar to preceding item but 30(100)A. 500 watthour meters similar to preceding item but 50(150)A. 125,000 terminal adapters for use with 5(15)A. watthour meters mentioned above. 7,700 watthour meters: 3 phase, 4-wire 220/380 v., a.c. 50 hz., 3 element meter for metering unbalanced 3-phase load supplies from 240/416 v. 4 wire secondary network, or from 240/416 v., wye-connected transformer bank with neutral point grounded, 15(45)A. with provision for padlock seal, at least 2 points at meter cover & 2 points at terminal cover. Financed by loan from Asian Dev. Bank. Tender docs. for sale at U.S.$10.50 per set from: Purchases & Stores Dept., Metropolitan Electricity Authority (MEA), 121 Chakpetch St., Bangkok. Refer to bid tender No. ADB-MEA-344. Bid deadline Nov. 17.

3825115 — MALAYSIA — Tenders invited only from mfrs. or their accredited agents for supply of following whole current & polyphase transformer operated electricity meters—15,000 no. whole-current electricity meters 3 phase 4 wire 240/415 v. 50 hz 10 (max. 60) amps. (of which 10,000 no. definite quantity & 5,000 numbers' optional extra quantity); 3,245 no. transformer-operated meters 3 phase 4 wire unbalanced load 50 hz 415/240 v. rating 100/5 to 3000/T amps. Each inquiry for tender docs. must be accompanied by check or bank draft for M$100 made payable to chief accountant of NEB. Tenderers who wish tender docs. forwarded by post should add M$25 to cover postage charges. (U.S. $1.00 approx. M$2.30). Obtain bid docs. from—Senior Purchasing & Contracts Officer, Natl. Electricity Bd., P.O. Box 1003, 129 Jalan Bangsar, Kuala Lumpur, Malaysia. Refer to tender No. 15165. Bid deadline Oct. 31.

3825200, 3612200 — THAILAND — 4 sets test board with facilities for testing bottom connected watthour meters single phase & 2, 2½ or 3 element polyphase with 120, 220 & 380 test voltage potentials, for use with 220/380 v., 3-phase, 3-wire, 50 hz. input power supply with testing currents. 2 single-phase kw meter testing equip. 1 precision or high accuracy class rotating substandard meter. 1 precision watthours. 1 precision voltmeter (a.c.). 1 precision ammeter (a.c.). 1 voltage regulating transformer. One 100 kva transformer. 3 potential transformers—outdoor type, 20 kva 3 current transformers—rating 15 kva., circuit voltage 30 kv. 6 neon lights for underground work. Financed by loan from Asian Dev. Bank. Tender docs for sale at U.S.$7.50 per set from Purchases & Stores Dept., Metropolitan Electricity Auth. (MEA), 121 Chakpetch St., Bangkok 2. Refer to bid No. ADB-MEA-346. Bid deadline Nov. 28.

3825274, 3832135, 3811221-331-371—PERU —Standards & calibration equip. for test measuring, lab. type, elec.; interferometers (0.1 m.); lab. balances & scales; surveying & drafting instruments & apparati; lab. precision balances & scales. Itintec is a govt. agency under industry ministry in charge of brand name & patent registration, technological investigation, & standardization of industrial products. Non-profit institution which derives income from 2% tax on net revenue of industrial enterprises & from sale of tech. norms now planning install metrological lab. for own use & is therefore interested in purchasing above listed equip. F.O.B. & c&f Port of Callao quotations & product literature are requested. Financed with funds provided by UNESCO, U.N. agency based in Paris. Obtain bid docs. from—Dr. Carlos Sotelo Bambaren, Dir., Gen., A.I.—Itintec, P.O. Box 145, Lima 100, Jr. Morello 2Da. Cuadra, San Borja, Surquillo, Lima 34.

Construction

9911202, 9922199—VENEZUELA—Inversiones Turisticas E Industriales Paraguana C.A., Tourist Development Co., announced their plans for 120 room motel, located in Paraguana peninsula, Falcon State, W. Venezuela. Motel would have — approx. area per room 20 sq. meters, central air conditioned system, swimming pool (150 to 200 sq. meters), restaurant, cafeteria, bar, bookshop, etc. Project manager seeks either offer to erect basic facilities or turnkey offers from U.S. firms. In order to shorten construction time, prefabricated elements will be used. Firms interested in participating in project should contact

Jecklin (see below) ASAP. Jecklin stated that Inversiones Turisticas E Industriales Paraguana C.A. has acquired land & construction permit. He indicated that financing to undertake project has been approved by Corpoturismo, govt.-owned tourist promotion entity. Jecklin trying to negotiate permission for another similar motel/club & stated that firm contracted for 1st motel would definitely have good chance to work on 2nd option for which financing also available. Tels 32.57; 66-32; telex 26367 ALPINE VE. Contact: Kurt Jecklin K., Inversiones Turisticas E Industriales Paraguana C.A., Apartado Postal 61.304 Chacao, Caracas 106.

9911212—MEXICO—This notice is only call to qualify to bid. Fontur's invitation to bid to construct infrastructure (sanitary engineering, transportation, electric power, natural & cultural tourism attractions, community services, & program supplementary actions) for Cancun II Tourism Development Project will be extended beginning late 1978. Est. value project $49.5 million. Partial financing in amount $20 million provided by IDB under loan No. 310/OC-ME. Firm official or its representative may obtain instructions for qualifying from below address. Call to qualify for registry opened on Aug. 11 with no definite deadline. Interested companies, however, should act quickly. Tel. (905) 585-5044; telex c/o Nacional Financiera—017-72-654; 017-75-629. Reply to—Emma Gutierrez, Fondo Nacional de Fomento al Turismo, (Fonatur), Isabel la Catolica 24, 4 Piso, Mexico 1, D.F., Mexico.

Mfg. & fabrication plants

9913107 — NIGERIA — Construction seagoing survey vessel. Tender docs obtainable from Controller, Marine Services, NPA, 26/28 Marina, Lagos and/or from Nigerian Ports Authority's rep., Mansfield House, 3rd fl. Rm. 34-37, 376-379 Strand, London, U.K. on presentation receipt for payment of non-refundable deposit niv naira 120 (U.S. $187), prior to submitting offers. This tender may be cancelled, withdrawn or altered without any reason given for so doing. Responsibility will not be accepted for any loss or losses incurred by tenderers in making their tender. Authority not bound to accept any tender & will not enter into corres. with any unsuccessful tenderer. Refer to tender construction sea-going vessel. Submit bids to—Secretary, Nigeria Ports Authority (NPA), 26/28 Marina, Lagos. Bid deadline Oct. 31.

9913211, 3551349—BOLIVIA—Bid deadline extended to Dec. 11 on Notice 137782 submitted earlier for sugar mill. Obtain specs. from—Corporacion Regional de Desarrollo, De la Paz, Gerencia General, Casilla 6102, La Paz, Bolivia. Refer to bid No. 10/78.

9913310, 3553198 — THAILAND — Design, quotation, layout plan, supply, installation & operation of fiberboard plant with daily production cap. 120 tons. Bidding docs. for sale at U.S.$50 per set from address below. Only bids from firms with local agents or representatives will be accepted for consideration. Obtain bid docs. from—Thai Plywood Co. Ltd., Mansion 6, Rajdamnern Klang Ave., Bangkok 2. Bid deadline Nov. 27.

Natural resources utilization

9915104—EGYPT—Constr. of the "Nubaria Main Drain" from (km. 40.00 to km. 67.70) & from (km. 28.40 to km. 40.00). Only tenders from member countries of Intl. Bk. for Reconstruction & Development (IBRD), & Switzerland are invited to bid in this tender. Tender docs. must be purchased from address below prior to submitting bids by payment of L.E. 150, equivalent U.S.$214.28 at rate of U.S.$1= L.E. 0.70. All offers must incl. provisional deposit 2% of total value of tender. Refer to tender No. 6/1978 N.M.D.1 & 6/1978 N.M.D.2. Obtain bid docs. from—Ministry of Irrigation, The Egyptian Public Auth. for Drainage Projects, 5A El Goheiny St., Dokki, Cairo. Bid deadline Nov. 7.

9915109, 3312600, 3494000, 3317600, 3321000, 3498000—PAPUA NEW GUINEA—Supply pipe & valves for ADB financed water supply projects in Papua New Guinea. Tenders incl. 300 kilo meters pipe, joints, & specials in sizes between 15 mm & 700 mm. nominal dia. suitable for conveyance potable water. Goods will be supplied under 6 schedules for each range pipe sizes. Separate tenders will be received for each of schedules. Separate tender for approx. 18,000 valves, hydrants, & fittings, in sizes between 15 mm. & 500 mm. nominal dia. for use in water distribution systems. Est. value of tenders will be $3½ to 4 million. Tender docs. cost K30 (U.S.-$45.50), available from—Binnie & Partners, P.O. Box 483, Port Moresby, Papua New Guinea. Telex NE22205. No bid deadline stated.

Transportation support systems

9916299—ZAMBIA—Bid deadline has been extended to Dec. 8 on Notice 139748 submitted earlier for traffic supervisory equip. Obtain bid docs. from—Secretary, Zambia Railways Tender Board, P.O. Box 695, Kabwe, Zambia. Refer to ref. ZR/SUP/22/78. New bid deadline Dec. 8.

Physical handling, distrib. systems

9917101—MALAWI—Govt. has decided to construct strategic grain reserve facility with initial cap. 60,000 tons designed so that it could eventually be expanded to store 120,000 tons. Preliminary design specifies twelve 5,000 ton silos. Est. total project cost $6-7 million. Pre-qualifications for tender being prepared by Brunette & Partners. 8 week tender period expected. Finance for project will come from either Agricultural Development & Marketing Corp. (ADMARC—state owned) or from international lending institution. Obtain prequal. docs. from—Brunette & Partners, P.O. Box 626, Blantyre, Malawi. Tel. 634 933; telex 4212.

9917303—NEPAL—Supply & construction well-pumping facilities for 5 wells in Greater Kathmandu area incl. installation complete submersible deepwell pump sets, connecting pipelines, 4 pump houses & 4 watchman's quarters. Foreign exchange cost being financed through loan from IBRD-IDA under 2nd phase of water supply & sewerage project. Specs. & tender docs. available on payment of non-refundable sum of nrs. 300.00 (U.S. $25.21). Preference of 7½% for purpose of tender evaluation will be given to local contractors. Bid deadline Nov. 6. Obtain bid docs. from—Project-in-Charge, Water Supply & Sewerage Board, Tripureswor Marg, Kathmandu, Nepal. Refer to contract no. 107.

Power generating & transmission

9918201-2—BRAZIL—CAEEB inviting foreign mfrs. electric power transmission & distr. equip. to submit reports on performance & product catalogs & other tech. literature depicting types materials & equip. they would like to supply for expansion of electric power transmission & distrib. systems of Expirito Santo Centrais Eletricas S.A. (ESCELSA) & Centrais Eletricas de Santa Catarina S.A. (CELESC). Both companies subsidiaries govt. owned electric power generating & distrib. Co., Centrais Eletricas Brasileiras S.A. Eletrobras, & have contracted CAEEB for coordination & use of funds originating from World Bank Loan. Only those companies that have submitted their letters of intention & tech. literature will be invited to bid for actual supply of required items. It is est. that out of aggregate U.S. $58 million envisaged for this program 28% will be imported from foreign markets. Submit info. to—Companhia Auxiliar de Empresas Eletricas Brasileiras (CAEEB), Coordenador de Compras, Av. Rio Branco 135, 13th Fl., 20040 Rio de Janeiro, RJ. Submit info. before Oct. 30.

9918202 — HONDURAS — Design and/or mfr., supply, construction, delivery, installation & testing 3 sections of transmission line for 138 kv., incl. accessory parts, for rural electrification of Aguan Valley. Lots incl. Line from La Ceiba-Reguleto, 66 kms. in length; line for Egule O-Isletas-Corocito Bonito Oriental, 70 km. long; line from Reguleto to Coyoles, 45 km. long. Project financed with funds from aid loan no. 522-T-033. Enee will hold meeting before opening bids on Sept. 21, at 10 a.m. in Hotel la Ronda, Tegucigalpa. Bidders urged to attend. Firms must obtain docs. from Honduran Embassy in Washington, D.C., Suite 408, 4301 Connecticut Ave., Washington, D.C. 20208; Attn. Mario A. Zea, Commercial Counselor, for 350 lempiras (U.S.$175) per. set. Submit bid docs. to—Departamento de Pcxveeduria, Empresa Nacional de Energia Electrica, Apartado Postal No. 99, Tegucigalpa, D.C. Refer to bid No. E-300. Bid deadline Nov. 7.

9918203 — KUWAIT — Supply & erection electrical substations in different districts of Kuwait. Ministry of Electricity & Water will tender following—sixteen 33/11 kv. substations; eleven 132/11 kv. substations; three 132/33/11 kv. substations; one 132/23/111 kv. substation; two 132/200 kv. substations. Total est. cost these projects is KD 46 million (1 KD=U.S.$3.67). Interested U.S. firms must bid through Kuwaiti agent in accordance with Kuwait commercial code. If no rep., contact nearest Dept. Commerce district office. Refer to bid No. MEW/22/3/40-78/79 to MEW/22/3/47-78/79. Contact nearest — Dept. Commerce District Office.

Engineering services

9922199-299, 9913102—SRI LANKA—Proposals invited from reputed mfrs. transformers for setting up of transformer mfg. plant to mfr. transformers, sizes 63 kva, 100 kva & 160 kva with possibility mfg. bigger sizes viz 250 kva, 400 kva & 630 kva subsequently. Tech. & advisory services incl. design, choice of plant, factory layout, etc., should also be provided. Proposals stipulating terms & conditions should be sent under registered cover to Chairman, Ceylon Electricity Board, Sir Chittampalam A. Gardiner Mawatha, P.O. Box 540, Colombo 2. Obtain further info. from—Electrical Engineer, Transformer Workshops, Ceylon Electricity Board (CEB) Stanley Power Station, Kolonnawa, Wellampitiya, Sri Lanka. Bid deadline Nov. 15.

Representations

Foreign private firms are interested in agency agreements and/or distributorships for these products.

Yarn, thread mills, products

2281421, 2281303 — HONDURAS — Dyed, textured polyester yarn, 150 denier, 2 ply, 34 of 39 filaments, for reweaving; can place orders for 34,000 lbs./mo. 100% spun rayon fiber, 1.5 denier, 1½ in. long, can place orders for 100 lbs./mo. Buyer wants supplier responses ASAP, quote f.a.s. Miami, against suppliers' terms; also catalogs, samples & price lists. Newly estab. importer/rep./distrib. seeking distrib. arrangement for above. Annual sales potential about $300,000. Has distrib. facilities in San Pedro Sula to cover entire country. Represents U.S., Canadian, & Central American firms for woodworking machinery, advertising specialties & general merchandise. Enjoys good reputation in local commercial circles. WTDR available. Reply to—Suyapa P. Ustariz, Mgr., Suno, S. de R.L., Apartado 231, San Pedro Sula. Cable SUNO; Tel. 523297.

Textile goods

2299275—BOLIVIA—Thread linen, cotton, etc., on bobbins of 12,000 yards, white color, size 100/60 (sz 100—T20). Quotations c.i.f. Matarani, Peru; 10% commission incl. WTDR 4/77. Reply to—Rivek, Ricardo Valesco Druger, Casilla 5797, La Paz.

Books

2732625-7—WEST GERMANY—Scientific books, hardbound & paperbound. Medium-sized wholesaler & importer of scientific publications with 19 employees & sales volume of DM 2.7 million. Reputation & financial standing good. Payments made promptly. WTDR 8/78. Reply to—Mrs. Von Kuczkowski, Minerva GmbH, Morgensternstr 37, D-6000 Frankfurt Main. Tel. 0611/623021; cable MINERVABUCH.

Drugs

2833261 — FRANCE — Nitrated organic chemicals. Medium-size corp. Specializes in mfg. lab. glass supplies. Also represents mfrs. of chemicals & reactives for medical analysis. Marketing network throughout France. Financial ref.—Societe Lyonnaise de Depots. Reply to—Mr. Sogno, Mkt. Mgr., Societe Fozay, Meschenmoser BP 7, 69190 St. Fons, France. Tel. 70.95.47.

Chemical products

2899529—UNITED KINGDOM—Pyrotechnics. Small co. estab. 1804, employs 70 & operates as mfr./retailer/distributor of sea safety equip. Interested in representing U.S. firm. Ref. Midland Bank Ltd., 52 Hamilton Str., Birkenhead Merseyside L41 5AG. Reply to—R. I. Wilcox Esq., Chairman, Wm. Perry & Co. Ltd., 90 Church Str., Birkenhead L41 53Q, U.K. Tel. 051-647-6416/8; telex 627826.

Fabricated rubber products

3069369-75-78—AUSTRIA—Cleaning rags of latex or sponge type materials, size approx. 19x21 cm., quality similar to Vileda brand, packed in imprinted sealed poly bags holding three pieces each; 50 poly-bags in a cardboard box. Annual demand: 6,000,000-8,000,000 bags of three rags each in part deliveries of 100-150,000 bags. Approx. price—Austrian shillings 300 (US$20 at the current rate of exchange) for 100 bags of three rags each including transportation and duties to Bregenz. Excl. agency. Inquirer is a leading manufacturer of household cleaning devices (especially pot cleaners) in Austria. 40 employees, annual turnover approx. Austrian shillings 24 millions (US$1.6 millions). Documented offers with samples requested ASAP. Reply to—Mr. Kristavcnik, Reiter & Ziegler, Meinradgasse 4, A-6900 Bregenz. Tel. 5574/31768; telex. 57659 REZI AT.

Footwear, except rubber

3144129—HONDURAS—Men's, women's & children's orthopedic shoes, all sizes & styles. Buyer wants supplier responses ASAP, quote f.o.b. against suppliers' terms; also catalogs & price lists. Newly estab. importer/agent/distrib. seeking distributorship & rep. Arrangement for above items on commission basis. Annual sales potential about $10,000. Enjoys good reputation in local commercial circles. Reply to—Graciella Botto de Andonie, Barrio Pueblo Nuevo, Esquina Ave. Morazan y Blvd. Republica Dominicana, Tegucigalpa, D.C. Tel. 227705.

Glass, glassware

3229112—UNITED KINGDOM—Glass & fancy goods. Small firm estab. 1878, employs 50. Operates as a distrib. of above. Represents Indiana Glass Co., Dunkirk, Ind. Interested in representing U.S. firms. Ref.—Westminster Bank, Gothbury. Reply to—M. G. Kent, Loewenstein & Hecht Ltd., 25-35 City Rd., London EC1 3 Y 1AA. Tel. 01-060-2005; telex 883323 WILLS G.

3229237—HONDURAS—Glass lamp chimneys for kerosene lamps, all sizes. Buyer wants supplier responses ASAP, quote c.i.f. Puerto Cortes against suppliers' terms; also catalogs & price lists. Important importer/distrib. arrangement for above items. Annual sales potential about $50,000. Has distribution facilities in San Pedro Sula, La Lima & Puerto Cortes. Represents several U.S. firms for textiles, yarns, chemical products, fertilizers, surgical instruments, drugs & electric household appliances. 1977 sales were about $1.25 million. Enjoys good reputation in local banking & commercial circles. WTDR available. Reply to—Antonio Lopez M., Gen. Mgr., A. Lopez y Cia. S. de R.L. Apartado Postal 691, San Pedro Sula. Cable ALOPEZ; Tel. 523852.

Steel mill products

3312700—IRAN—Cold rolled steel sheets, 1 m x 1 mm x 2 m. Company is importer of plastics machinery & raw material, interested in supplying customers with thermoplastic resins used in mfr. of plastic articles. Cable—Mr. Shoraka, Assist. Mgr., Perkings Industrial Co., 15, Malekol-Shoara Bahar, X Takht-E-Jamshid, Tehran, Iran. Telex 13537 IR; tel. 838941/9.

Nonferrous metals

3356161 — AUSTRALIA — Nickel silver strip used in automotive industry. Spec. is cda alloy 798. Hardness h.v. 140-170. Sizes are 66.68 mm. wide x 2.2 mm. thick & 70.64 mm. wide x 2.2 mm. thick. Price c & f Sydney required. Australian automotive industry uses up to $200,000 worth of this material annually. Competitive quote can secure the business. WTDR held. Telex to —J. Colley, Gen. Mgr., Bisley and Co. Pty. Ltd., 41 McLaren St., North Sydney N.S.W. 2060. Cable—JONBIS, telex 20558; tel. 929-8011.

Cutlery, hand tools, gen'l. hardware

3421153—UNITED KINGDOM—Domestic & tailor's scissors. Estab. 1948, seeks supplies of domestic & tailors scissors for Pakistan. Ref. Habib Bank Ltd., Trunk Bazar, Sialkot, Pakistan. Reply to—Sharif M. Janjua, Ems & Esses Industries, 96 Eorburg Rd., London N16 6HT. Tel. 01-806-4981.

3429731 — GUATEMALA — Aircraft hardware. Firm is new div. of "Inversiones Comerciales de C.A." an agent rep. of Industrial Materiale & Equip. Mr. Castaneda is commercial pilot & will be in charge of firm which will handle representation of aircraft, aircraft engines & spare parts as well as aircraft tires. Descriptive brochure, catalogs, price lists, etc., would be appreciated. Ref.—Dupont de Nemours Wolf. Reply to—Alfredo Castaneda D., Gen. Mgr., Inversiones Industriales de Centroamerica, 6A. Avenida 9-95, Zona 9, Guatemala City, Guatemala. Tel. 62103, 317935; cable IMOMCA.

Special industrial machinery

3551115 — PAKISTAN — Machinery & equip. for approx. 50 milk sterilizing units. Quote for both sizes: 1,000 liters & 48.000 liters/day, 8-hour shift. Request c. & f. Karachi quotations along with delivery schedule & technical literature & catalogs. Small indenting agent, wishes act on commission basis on behalf U.S. suppliers. Machinery understood to be required by govt.-owned dairy dev. agency in near future & expected to be financed through World Bank. Reply to — S. A. Rehman, Exec. Dir., Rahman Livestock & Dairy Farms, 110-A Model Town, Lahore. Cable RAHMANFARM; Tel. 351492.

3559589—BOLIVIA—Complete machinery to mfr. records, for 110/220 volts & 50 cycles. Quotations c.i.f. Matarani, Peru. Firm is new. No WTDR available. Reply to—F&W S.R.L., A. A. Frias, Casilla 20125, La Paz.

3559589 — GUATEMALA — Paint-making machinery. Firm is recently estab. mfrs'. rep. & distrib. of industrial chemicals, synthetic resins, flavoring extracts, dyestuffs, steel strapping, staples & packaging equip. Now interested in exclus. rep. of paint making machinery for different size plants. Paid in capital declared as $50,000; yearly direct sales $100,000; commission sales $3 million. Normal commercial precautions recommended in dealings involving credit. Ref.—Signal Intl., Chicago; Paslode Corp., Chicago. Reply to—Julio Villagran Galindo, Pres./Mgr., Superba S.A., P.O. Box 959, Edif, Amado, 4th floor, 6 Ave. 6-47, Zona 9, Guatemala City. Tel. 316396 & 66192.

3559589—HONDURAS—Industry machinery & equip. for pharmaceutical industry i.e. industrial ovens, tube-filling equip., etc. Buyer wants supplier responses ASAP, quote f.o.b. against suppliers' terms; also desires catalogs, price lists & samples. Well estab. importer/agent/distrib. who is seeking representation/distrib. arrangement, exclusive, for above items. Annual sales potential about $50,000. Firm has distrib. & service facilities throughout Honduras. Represents several European

firms for pharmaceuticals & chemicals, & electric light bulbs. Enjoys excellent reputation in commercial & banking circles. WTDR needs updating. Reply to—Jose Roberto Rivera, Mgr., Agencia Paysen S. de R.L. de C.V., Tegucigalpa, D.C. Cable DEPAY; telex 1111HT; tel. 229523.

General industrial machinery

3563193 — **FRANCE** — Special centralized vacuum systems for hospitals. Medium-size corp. Specializes in mfg. vacuum pumps. Staff — 80. Exports throughout Europe. Capitalization—F 1 million. Financial ref.—Credit Lyonnais. Reply to—Mr. Maillon, Mkt. Mgr., Societe Nmils, 17-25 Ave. Paul Santy, 69008 Lyon, France. Tel. 69.15.71.

ADB LISTS 11 PROJECTS OPEN TO U.S. SUPPLIERS

The Asian Development Bank's latest "Monthly Operational Information" publication lists the following new proposed projects, which could offer opportunities for the sale of equipment and consulting services.

KOREA—Third Korea Development Finance Corporation. Executing agency is Korea Development Finance Corporation (KDFC), Seoul, amount US$50 million, to augment the foreign exchange resources of KDFC for relending to private sector industrial enterprises in Korea. Present status: project being prepared by KDFC. No foreign consultants required.

KOREA—Livestock feed mills. Executing agency is National Agricultural Cooperatives Federation (NACF), Seoul, amount US$13 million, construction of four livestock feed mills each with production capacity of 90,000 m.t. per year to supply formula feeds to livestock farmers. Present status: project being prepared by executing agency. No decision made so far whether consulting services required.

KOREA—Second Busan Water Supply. Executing agency is city of Busan, amount US$15 million, provision of additional water intake, treatment, transmission and distribution facilities to increase water supply by 360,000 tons per day. Present status: feasibility study prepared by Korea engineering firm under study. No decision made so far on consulting services.

PAKISTAN—Second Fisheries Development. Executing agency, amount of loan to be determined, integrated fisheries development covering a new fish harbor complex to be constructed at Korangi Creek on the outskirts of Karachi, marine and inland fisheries and onshore facilities. Present status: Bank technical assistance approved by the Board on Aug. 24. Consultants under Bank-financed technical assistance are being recruited.

PAKISTAN—Baluchistan livestock development. Executing agency to be determined, tentative amount US$10 million, integrated livestock development in the province of Baluchistan, including increased production of mutton, beef and milk, improved range management and other sector components. Present status: consultants under Bank-financed technical assistance are being recruited and expected to be in the field by October.

PHILIPPINES — Philippine Investment Systems Organization (PISO) is executing agency, amount US$15 million, to augment the foreign exchange resources of PISO for on-lending to productive enterprises in the private sector. Present status: various aspects of the project under study. Consulting services will be required.

SRI LANKA—Program loan (railways). Executing agency Ceylon Government Railways, Colombo, amount US$2 million, financing of the immediate requirements of spare parts and maintenance for Sri Lanka Railways. Present status: fact-finding mission returned. Various aspects of the project under review. No decision made so far on consulting services.

BANGLADESH—Trunk road development. Executing agency is Bangladesh Road and Highways Department, Ministry of Communications, Dacca, amount US$350,000, feasibility study for the upgrading of existing trunk (arterial) roads between Dacca-Sylhet (approximately 1,140 miles) and Chittagong-Cox's Bazaar (approximately 96 miles). Present status: fact-finding mission in the field. Consulting services will be required.

BANGLADESH—Provincial cities water supply. Executing agency is Bangladesh Public Health Engineering Department, Dacca, amount of loan to be determined, feasibility study to improve and expand the existing water supply systems for selected provincial cities of Bangladesh. Government has proposed the cities of Barisal, Bogra, Commilla, Faridpur, Jessore, Mymensingh and Pabna for consideration. Study will also include organizational, financial and management aspects. Present status: fact-finding mission in the field. Consulting services will be required.

BANGLADESH — Techno-economic study on the production of synthetic fibers for the textile industry. Executing agency is Bangladesh Chemical Industries Corporation (BCIC), Dacca, amount US$163,000, investigation as to whether and to what extent the domestic preparation of synthetic fibers from indigenous raw materials is technically and economically feasible, and preparation of a draft implementation program for the establishment of synthetic fiber manufacturing industries. Present status: board paper under preparation. Consulting services will be required.

INDONESIA—University of North Sumatra (USU). Executing agency Indonesia Directorate General of Higher Education, Jakarta, amount US$230,000, rehabilitation and upgrading of technical facilities of USU at Medan. Present status: fact-finding mission returned. Various aspects of the project under review. Consulting services will be required.

Visiting Buyers & Officials

AUSTRALIA—E. Joseph of Sydney recently arrived in the United States and is interested in contact with manufacturers of latest **clinical/medical equipment.** He is also interested in firm to act as agent to keep on the lookout for new products in the fields mentioned. For further details contact Theresa E. Rettig, Project Officer, Foreign Buyer Program, Room 2015-B, U.S. Department of Commerce, Washington, D.C. 20230, 202-377-3265.

AUSTRALIA—W. K. Webb of Sydney is visiting the United States to purchase **machinery for producing veneers, plywood and particle board, and equipment for the smokeless incineration of sawdust.** American suppliers interested in contacting this visitor may call or write to Bill Corfitzen, Room 2322, U.S. Department of Commerce, Wash., D.C. 20230, 202-377-2068.

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